

Exhibit No. __ (WHW-2)
Dockets UE-072300/
UG-072301/UG-080064
Witness: William H. Weinman

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

**WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,**

Complainant,

v.

PUGET SOUND ENERGY, INC.

Respondent.

**DOCKET UE-072300
DOCKET UG-072301
(consolidated)**

DOCKET UG-080064

EXHIBIT TO TESTIMONY OF

WILLIAM H. WEINMAN

**STAFF OF THE WASHINGTON UTILITIES
AND TRANSPORTATION COMMISSION**

Electric Results of Operations and Revenue Requirement

May 30, 2008

PUGET SOUND ENERGY-ELECTRIC
 RESULTS OF OPERATIONS
 FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2007
 GENERAL RATE INCREASE

LINE NO.	ACTUAL RESULTS OF OPERATION	TOTAL ADJUSTMENTS	ADJUSTED RESULTS OF OPERATIONS	REVENUE REQUIREMENT DEFICIENCY	AFTER RATE INCREASE
1	OPERATING REVENUES:				
2	\$ 1,785,744,016	\$ 50,510,969	\$ 1,836,254,985	\$ 106,290,462	\$ 1,942,545,447
3	374,331	(18,584)	355,747	340,165	695,912
4	268,574,887	(253,870,421)	14,704,466		14,704,466
5	43,280,356	(5,132,604)	38,147,752		38,147,752
6	<u>\$ 2,097,973,590</u>	<u>\$ (208,510,640)</u>	<u>\$ 1,889,462,950</u>	<u>\$ 106,630,627</u>	<u>\$ 1,996,093,577</u>
7					
8	OPERATING REVENUE DEDUCTIONS:				
9					
10	POWER COSTS:				
11	\$ 118,473,661	\$ 61,644,432	\$ 180,118,093	\$ -	\$ 180,118,093
12	1,017,118,800	(234,327,487)	782,791,313		782,791,313
13	65,628,548	165,761	65,794,309		65,794,309
14	(84,819,852)	88,649,593	3,829,741		3,829,741
		(8,459,126)	(8,459,126)		(8,459,126)
15	<u>\$ 1,116,401,157</u>	<u>\$ (92,326,828)</u>	<u>\$ 1,024,074,329</u>	<u>\$ -</u>	<u>\$ 1,024,074,329</u>
16					
17	\$ 79,069,006	\$ 4,468,027	\$ 83,537,033	\$ -	\$ 83,537,033
18	6,532,375	3,716,404	10,248,779		10,248,779
19	67,507,444	(492,539)	67,014,905		67,014,905
20	37,171,867	1,876,474	39,048,341	373,463	39,421,804
21	9,736,024	(7,763,327)	1,972,697		1,972,697
22	32,494,479	(32,489,368)	5,111		5,111
23	76,980,894	3,181,065	80,161,960	213,261	80,375,221
24	160,277,383	272,122	160,549,505		160,549,505
25	30,986,683	1,232,202	32,218,885		32,218,885
26	5,380,486	16,548,054	21,928,540		21,928,540
27	(11,616,918)	13,027,908	1,410,990		1,410,990
28	887,595	(887,595)	-		-
29	171,491,627	(55,015,635)	116,475,992	4,115,345	120,591,337
30	(5,105,994)	(29,732,912)	(34,838,906)	35,674,995	838,089
31	67,629,351	22,388,084	90,017,435		90,017,435
32	<u>\$ 1,845,823,459</u>	<u>\$ (151,997,863)</u>	<u>\$ 1,693,825,596</u>	<u>\$ 40,377,065</u>	<u>\$ 1,734,202,661</u>
33					
34	\$ 252,150,131	(56,512,777)	195,637,354	66,253,562	261,890,916
35					
38	7.90%		6.16%		8.25%
39					
40	RATE BASE:				
41	\$ 5,584,169,427	\$ 303,761,346	\$ 5,867,930,773		
42	(2,277,237,104)	(142,859,152)	(2,420,096,257)		
43	313,780,159	(67,581,957)	246,198,202		
44	(432,809,629)	(13,806,606)	(446,616,235)		
45	95,445,435	(93,766,423)	1,679,012		
46	(73,781,988)	-	(73,781,988)		
47	<u>\$ 3,189,766,299</u>	<u>\$ (14,252,793)</u>	<u>\$ 3,175,513,507</u>		

PUGET SOUND ENERGY-ELECTRIC
STATEMENT OF OPERATING INCOME AND ADJUSTMENTS
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2007
RESTATING AND PRO FORMA ADJUSTMENTS

LINE NO.	MONTANA ELECTRIC ENERGY TAX	INTEREST ON	CUST DEPOSITS	SFAS 133	RATE CASE EXPENSES	DEFERRED G/L ON PROPERTY SALES	PROPERTY & LIABILITY INS	PENSION PLAN	WAGE INCREASE
1	11.18	11.19	11.20	11.21	11.22	11.23	11.24	11.25	
2	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
7	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
8	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
9	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
10	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
12	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
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14	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
15	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
16	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
17	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
18	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
19	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
20	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
21	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
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42	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
43	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
44	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
45	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
46	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
47	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

350,242
 (887,595)
 310,658
 (576,937)
 350,242
 (350,242)
 576,937
 131,455
 (131,455)
 70,784
 339,034
 (189,632)
 244,281
 (453,665)
 246,856
 (1,538,664)
 341,031
 (341,031)
 453,665
 (2,857,518)

PUGET SOUND ENERGY-ELECTRIC
 STATEMENT OF OPERATING INCOME AND ADJUSTMENTS
 FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2007
 RESTATING AND PRO FORMA ADJUSTMENTS

LINE NO.	DESCRIPTION	INVESTMENT		EMPLOYEE	INCENTIVE	MONTANA CORP	AMORT GLDLD	STORM	REG ASSETS	DEPRECIATION
		PLAN	INSURANCE	PAY	LICENSE TAX	FIXED COST	DAMAGE	& LIABILITIES	STUDY	
		11.26	11.27	11.28	11.29	11.30	11.31	11.32	11.33	
1	OPERATING REVENUES	\$ -	\$ -							
2	SALES TO CUSTOMERS									
3	SALES FROM RESALE-FIRM									
4	SALES TO OTHER UTILITIES									
5	OTHER OPERATING REVENUES									
6	TOTAL OPERATING REVENUES	\$ -	\$ -							
7										
8	OPERATING REVENUE DEDUCTIONS:									
9										
10	POWER COSTS:									
11	FUEL									
12	PURCHASED AND INTERCHANGED									
13	HEDGING									
14	WHEELING									
15	RESIDENTIAL EXCHANGE									
16	RATE DISALLOWANCE									
17	TOTAL PRODUCTION EXPENSES	\$ -	\$ -							
18										
19	OTHER POWER SUPPLY EXPENSES									
20	TRANSMISSION EXPENSE									
21	DISTRIBUTION EXPENSE									
22	CUSTOMER ACCTS EXPENSES									
23	CUSTOMER SERVICE EXPENSES									
24	CONSERVATION AMORTIZATION									
25	ADMIN & GENERAL EXPENSE	177,142	1,516,481							
26	DEPRECIATION									
27	AMORTIZATION									
28	AMORTIZ OF PROPERTY GAIN/LOSS									
29	OTHER OPERATING EXPENSES									
30	FAS 133									
31	TAXES OTHER THAN INCOME TAXES									
32	INCOME TAXES	(62,000)	(530,768)		152,036	(5,251,978)	(4,756,125)	(881,569)		
33	DEFERRED INCOME TAXES									
34	TOTAL OPERATING REV. DEDUCT.	\$ 115,142	\$ 985,713	\$ (687,300)	\$ 152,036	\$ 9,753,673	\$ 8,632,804	\$ 8,718,601	\$ (5,246,842)	
35										
36	NET OPERATING INCOME	\$ (115,142)	\$ (985,713)	\$ 667,300	\$ (152,036)	\$ (9,753,673)	\$ (8,632,804)	\$ (8,718,601)	\$ 5,246,842	
37										
38	RATE OF RETURN									
39										
40	RATE BASE:									
41	GROSS UTILITY PLANT IN SERVICE									
42	ACCUM DEPR AND AMORT									
43	DEFERRED DEBITS									
44	DEFERRED TAXES									
45	ALLOWANCE FOR WORKING CAPITAL									
46	OTHER									
47	TOTAL RATE BASE	\$ -	\$ -	\$ -	\$ -	\$ 6,763,253	\$ -	\$ (69,560,204)	\$ -	\$ -

PUGET SOUND ENERGY-ELECTRIC
 STATEMENT OF OPERATING INCOME AND ADJUSTMENTS
 FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2007
 RESTATING AND PRO FORMA ADJUSTMENTS

LINE NO.	SKAGIT FACILITY 11.34	PRODUCTION ADJUSTMENT 11.35	BILLING DISCOUNTS 11.36	CRYSTAL MTN DIESEL SPILL 11.37	WORKING CAP DISALLOWANCE 11.38	TOTAL ADJUSTMENTS	ADJUSTED RESULTS OF OPERATIONS
1	OPERATING REVENUES					\$ 50,510,969	\$ 1,836,254,985
2	SALES TO CUSTOMERS		\$ 107,016			(18,584)	355,747
3	SALES FROM RESALE-FIRM					(253,870,421)	14,704,466
4	SALES TO OTHER UTILITIES					(5,132,604)	38,147,752
5	OTHER OPERATING REVENUES					(208,510,640)	1,889,482,950
6	TOTAL OPERATING REVENUES						
7	OPERATING REVENUE DEDUCTIONS:						
8							
9	POWER COSTS:						
10	FUEL					\$ 61,644,432	\$ 180,118,093
11	PURCHASED AND INTERCHANGED					(234,327,487)	782,791,313
12	HEDGING						
13	WHEELING					165,761	65,794,309
14	RESIDENTIAL EXCHANGE					88,649,593	3,829,741
15	RATE DISALLOWANCE					(8,459,126)	(8,459,126)
16	TOTAL PRODUCTION EXPENSES					\$ (92,326,628)	\$ 1,024,074,329
17	OTHER POWER SUPPLY EXPENSES						
18	TRANSMISSION EXPENSE					4,468,027	83,537,033
19	DISTRIBUTION EXPENSE					3,716,404	10,248,779
20	CUSTOMER ACCTS EXPENSES					(492,539)	67,014,905
21	CUSTOMER SERVICE EXPENSES			375		1,876,474	39,048,341
22	CONSERVATION AMORTIZATION					(7,763,327)	1,972,697
23	ADMIN & GENERAL EXPENSE					(32,489,368)	5,111
24	DEPRECIATION	(70,403)				3,181,065	80,161,980
25	AMORTIZATION	1,316,021				272,122	160,549,505
26	OTHER OPERATING EXPENSES					1,232,202	32,218,885
27	TAXES OTHER THAN INCOME TAXES					16,548,054	21,928,540
28	INCOME TAXES	(435,987)				13,027,808	1,410,990
29	DEFERRED INCOME TAXES					(887,595)	
30	TOTAL OPERATING REV., DEDUCT.					\$ (55,015,635)	116,475,992
31	NET OPERATING INCOME					(29,732,912)	(34,838,906)
32	RATE OF RETURN					22,388,084	90,017,435
33							
34							
35							
36							
37							
38							
39							
40	RATE BASE:						6.16%
41	GROSS UTILITY PLANT IN SERVICE					\$ 303,761,346	\$ 5,867,930,773
42	ACCUM DEPR AND AMORT					(142,869,152)	(2,420,066,257)
43	DEFERRED DEBITS					(67,581,957)	246,196,202
44	DEFERRED TAXES					(13,806,606)	(446,416,235)
45	ALLOWANCE FOR WORKING CAPITAL					(93,766,423)	1,679,012
46	OTHER						(73,781,988)
47	TOTAL RATE BASE					\$ (14,252,793)	\$ 3,175,513,307

PUGET SOUND ENERGY-ELECTRIC
 TEMPERATURE NORMALIZATION
 FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2007
 GENERAL RATE INCREASE

LINE NO.	DESCRIPTION	ACTUAL GPI MWH	TEMP ADJ GPI MWH	MWH CHANGE	ADJ FOR LOSSES 6.70%	
1	<u>TEMPERATURE NORMALIZATION ADJUSTMENT:</u>					
2						
3						
4	Oct-06	1,845,737	1,828,265	(17,471)	(16,301)	
6	Dec-06	2,265,270	2,261,757	(3,513)	(3,278)	
7	Jan-07	2,453,629	2,355,941	(97,687)	(91,142)	
8	Feb-07	1,987,908	1,994,880	6,972	6,505	
9	Mar-07	2,039,569	2,047,347	7,778	7,257	
10	Apr-07	1,823,887	1,818,523	(5,364)	(5,005)	
11	May-07	1,728,115	1,730,060	1,945	1,815	
12	Jun-07	1,630,303	1,634,295	3,992	3,725	
13	Jul-07	1,721,998	1,703,413	(18,585)	(17,340)	
14	Aug-07	1,694,124	1,701,516	7,392	6,897	
15	Sep-07	1,652,397	1,650,724	(1,673)	(1,561)	
16		20,842,937	20,726,722	(116,215)	(108,428)	
17						
18	REVENUE ADJUSTMENT:	Schedule 7		(111,115)	\$ (10,596,704)	
19		Schedule 24		(19,192)	(1,556,957)	
20		Schedule 25		(526)	(33,418)	
21		Schedule 26		8,717	529,236	
22		Schedule 29		(19)	(1,037)	
23		Schedule 31		(4,303)	(236,515)	
24		Schedule 35		-	-	
25		Schedule 43		(1,679)	(87,241)	
26		Schedule 40		(742)	(37,380)	
27		Firm Resale		(84)	(2,951)	
28	INCREASE (DECREASE) SALES TO CUSTOMERS					\$ (12,022,967)
29						
30	UNCOLLECTIBLES @			0.0035024	\$ (42,110)	
31	ANNUAL FILING FEE @			0.0020000	(24,046)	
31	INCREASE (DECREASE) EXPENSES					(66,156)
32						
33	STATE UTILITY TAX @			0.0385944	\$ (464,019)	
34	INCREASE (DECREASE) TAXES OTHER					(464,019)
35						
36	INCREASE (DECREASE) INCOME					(11,492,792)
37						
38	INCREASE (DECREASE) FIT @			35%		(4,022,477)
39	INCREASE (DECREASE) NOI					<u>\$ (7,470,315)</u>

**PUGET SOUND ENERGY-ELECTRIC
REVENUES AND EXPENSES
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2007
GENERAL RATE INCREASE**

LINE NO. DESCRIPTION	ADJUSTMENT
1 SALES TO CUSTOMERS:	
2 RESTATING ADJUSTMENTS:	
3 ADD GRC INCREASE DOCKET 060266	\$ 53,812,830
5 REMOVE PCORC INCREASE DOCKET 050870	(65,899,195)
6 REMOVE SCHEDULE 95A PRODUCTION TAX CREDITS	25,989,318
7 REMOVE GEORGIA PACIFIC STEAM SALES	(765,692)
8 MISCELLANEOUS RESTATING ADJUSTMENT	2,059,713
9 RESTATING ADJUSTMENTS SALES TO CUSTOMERS	<u>80,443,036</u>
10	
11 PROFORMA ADJUSTMENTS:	
12 MISCELLANEOUS PROFORMA ADJUSTMENTS	<u>(422,954)</u>
13 PROFORMA ADJUSTMENTS SALES TO CUSTOMERS	<u>(422,954)</u>
14	
15 TOTAL INCREASE (DECREASE) SALES TO CUSTOMERS	\$ 80,020,082
16	
17 SALES FOR RESALE - SMALL FIRM	
18 MISCELLANEOUS RESTATING ADJUSTMENT	<u>(15,633)</u>
19	
20 TOTAL INCREASE (DECREASE) SALES FOR RESALE - SMALL FIRM	(15,633)
21	
22 OTHER OPERATING REVENUES	
23 POLE ATTACHMENT REVENUES	(426,324)
24 MISCELLANEOUS RESTATING ADJUSTMENT	<u>(27,352)</u>
25	
26 TOTAL INCREASE (DECREASE) OTHER OPERATING REVENUE	<u>(453,676)</u>
27	
28 TOTAL INCREASE (DECREASE) REVENUES	79,550,773
29	
30 UNCOLLECTIBLES @	0.0035024 \$ 278,621
31 ANNUAL FILING FEE @	0.0020000 <u>159,102</u>
32 INCREASE (DECREASE) EXPENSES	437,722
33	
34 STATE UTILITY TAX @	0.0385944 \$ 3,070,214
35 REMOVE MUNICIPAL TAX EXPENSED	
36 INCREASE (DECREASE) TAXES OTHER	<u>3,070,214</u>
37	
38 INCREASE (DECREASE) INCOME	76,042,837
39	
40 INCREASE (DECREASE) FIT @	35% <u>26,614,993</u>
41 INCREASE (DECREASE) NOI	<u>\$ 49,427,844</u>

**PUGET SOUND ENERGY-ELECTRIC
 REVENUES AND EXPENSES
 FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2007
 GENERAL RATE INCREASE**

LINE NO. DESCRIPTION	ADJUSTMENT
1 SALES TO CUSTOMERS:	
2 RESTATING ADJUSTMENTS:	
3 ADD GRC INCREASE DOCKET 060266	\$ 53,812,830
5 REMOVE PCORC INCREASE DOCKET 050870	(65,899,195)
6 REMOVE SCHEDULE 95A PRODUCTION TAX CREDITS	25,989,318
7 REMOVE GEORGIA PACIFIC STEAM SALES	(765,692)
8 MISCELLANEOUS RESTATING ADJUSTMENT	2,059,713
9 RESTATING ADJUSTMENTS SALES TO CUSTOMERS	<u>80,443,036</u>
10	
11 PROFORMA ADJUSTMENTS:	
12 MISCELLANEOUS PROFORMA ADJUSTMENTS	(422,954)
13 PROFORMA ADJUSTMENTS SALES TO CUSTOMERS	<u>(422,954)</u>
14	
15 TOTAL INCREASE (DECREASE) SALES TO CUSTOMERS	\$ 80,020,082
16	
17 SALES FOR RESALE - SMALL FIRM	
18 MISCELLANEOUS RESTATING ADJUSTMENT	<u>(15,633)</u>
19	
20 TOTAL INCREASE (DECREASE) SALES FOR RESALE - SMALL FIRM	(15,633)
21	
22 OTHER OPERATING REVENUES	
23 POLE ATTACHMENT REVENUES	(426,324)
24 MISCELLANEOUS RESTATING ADJUSTMENT	<u>(27,352)</u>
25	
26 TOTAL INCREASE (DECREASE) OTHER OPERATING REVENUE	<u>(453,676)</u>
27	
28 TOTAL INCREASE (DECREASE) REVENUES	79,550,773
29	
30 UNCOLLECTIBLES @	0.0035024 \$ 278,621
31 ANNUAL FILING FEE @	0.0020000 <u>159,102</u>
32 INCREASE (DECREASE) EXPENSES	437,722
33	
34 STATE UTILITY TAX @	0.0385944 \$ 3,070,214
35 REMOVE MUNICIPAL TAX EXPENSED	
36 INCREASE (DECREASE) TAXES OTHER	<u>3,070,214</u>
37	
38 INCREASE (DECREASE) INCOME	76,042,837
39	
40 INCREASE (DECREASE) FIT @	35% <u>26,614,993</u>
41 INCREASE (DECREASE) NOI	<u>\$ 49,427,844</u>

**PUGET SOUND ENERGY-ELECTRIC
POWER COSTS
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2007
GENERAL RATE INCREASE**

LINE NO. DESCRIPTION	ACTUAL	PROFORMA	INCREASE (DECREASE)
1 SALES FOR RESALE	\$ 268,574,887	\$ 14,704,466	\$ (253,870,421)
2			
3 PURCHASES/SALES OF NON-CORE GAS	4,267,784	149,656	(4,118,128)
4 WHEELING FOR OTHERS	10,583,713	9,986,183	(597,530)
5	14,851,497	10,135,839	(4,715,658)
6			
7 TOTAL OPERATING REVENUES	283,426,385	24,840,306	(258,586,079)
8			
9 FUEL	\$ 119,309,169	\$ 180,118,093	\$ 60,808,924
10			
11 PURCHASED AND INTERCHANGED	990,181,182	749,834,601	(240,346,581)
12 HEDGING		285,295	285,295
13 RATE DISALLOWANCES FOR MARCH POINT 2 AND TENASKA		(8,459,126)	(8,459,126)
14 SUBTOTAL PURCHASED AND INTERCHANGED	\$ 990,181,182	\$ 741,660,770	\$ (248,520,412)
15 WHEELING	63,827,743	67,657,484	3,829,741
16			
17 TOTAL PRODUCTION EXPENSES	\$ 1,173,318,094	\$ 989,436,347	\$ (183,881,747)
18 HYDRO AND OTHER POWER	79,069,006	83,349,677	4,280,671
19 TRANS. EXP. INCL. 500KV O&M	1,175,688	1,136,455	(39,233)
20			
21 TOTAL OPERATING EXPENSES	\$ 1,253,562,789	\$ 1,073,922,479	\$ (179,640,309)
22			
23 INCREASE (DECREASE) OPERATING INCOME (LINE 8 - LINE 21)	\$ (970,136,404)	\$ (1,049,082,174)	\$ (78,945,770)
24			
25 REDUCTION TO STATE UTILITY TAX SAVINGS FOR LINE 4	3.85%		(23,005)
26 INCREASE (DECREASE) INCOME			(78,922,765)
27 INCREASE (DECREASE) FIT @	35%		(27,622,968)
28 INCREASE (DECREASE) NOI			<u>\$ (51,299,797)</u>

**PUGET SOUND ENERGY-ELECTRIC
FEDERAL INCOME TAX
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2007
GENERAL RATE INCREASE**

LINE NO.	DESCRIPTION	AMOUNT
1	TAXABLE INCOME (LOSS)	\$ (49,591,937)
2		
3	FEDERAL INCOME TAX EXPENSE (BENEFIT) @ 35%	<u>(17,357,178)</u>
5		
6	DEFERRED FIT - DEBIT	\$ 107,781,393
7	DEFERRED FIT - CREDIT	(15,735,819)
8	ADDITIONAL DEFERRED CREDITS	<u>(2,338,797)</u>
9	TOTAL RESTATED FIT	\$ 72,349,599
10		
11	FIT PER BOOKS:	
12	CURRENTLY PAYABLE	\$ (5,105,994)
13	DEFERRED FIT - DEBIT	130,274,336
14	DEFERRED FIT - CREDIT	(62,644,985)
15	DEFERRED FIT - INV TAX CREDIT, NET OF AMORT.	<u>-</u>
16	TOTAL CHARGED TO EXPENSE	\$ 62,523,357
17		
18	INCREASE(DECREASE) FIT	(12,251,184)
19	INCREASE(DECREASE) DEFERRED FIT	<u>22,077,426</u>
20	INCREASE(DECREASE) NOI	<u>\$ (9,826,242)</u>

**PUGET SOUND ENERGY-ELECTRIC
TAX BENEFIT OF PRO FORMA INTEREST
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2007
GENERAL RATE INCREASE**

LINE NO.	DESCRIPTION	AMOUNT
1	RATE BASE	\$ 3,175,513,507
2	DEDUCTIBLE CWIP	110,892,663
3	NET RATE BASE	\$ 3,286,406,170
5	WEIGHTED COST OF DEBT	3.74%
6	PROFORMA INTEREST	\$ 122,911,591
7		
8		
9	<u>INTEREST EXPENSE ITEMS PER BOOKS:</u>	
10	INTEREST ON LONG TERM DEBT	\$ 118,172,916
11	AMORTIZATION OF DEBT DISCOUNT	
12	AND EXPENSE, NET OF PREMIUMS	2,105,623
13	INTEREST ON DEBT TO ASSOCIATED	
14	ASSOCIATED COMPANIES	892,584
15	OTHER INTEREST EXPENSE	15,055,265
16	LESS: INTEREST ON CUSTOMER DEPOSITS	(350,242)
17	CHARGED TO EXPENSE IN TEST YEAR	135,876,145
18		
19	INCREASE (DECREASE) INCOME	\$ 12,964,554
20		
21	INCREASE (DECREASE) FIT @	35% 4,537,594
22	INCREASE (DECREASE) NOI	\$ (4,537,594)

**PUGET SOUND ENERGY-ELECTRIC
HOPKINS RIDGE INFILL PROJECT
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2007
GENERAL RATE INCREASE**

LINE NO. DESCRIPTION	TEST YEAR	PROFORMA	ADJUSTMENT
1 <u>HOPKINS RIDGE INFILL RATEBASE (AMA)</u>			
2 <u>UTILITY PLANT RATEBASE</u>			
3 PLANT BALANCE	\$ -	\$ 13,240,285	13,240,285
5 ACCUM DEPR	-	(466,941)	(466,941)
6 DEFERRED INCOME TAX LIABILITY	-	(1,007,021)	(1,007,021)
7 NET HOPKINS RIDGE INFILL PLANT RATEBASE	\$ -	\$ 11,766,323	\$ 11,766,323
8			
9 <u>REGULATORY LIABILITY RATEBASE</u>			
10 HOPKINS RIDGE INFILL MITIGATION CREDIT	\$ -	(2,903,000)	\$ (2,903,000)
11 ACCUM AMORTIZATION	-	725,750	725,750
12 DEFERRED INCOME TAX ASSET	-	736,776	736,776
13 NET REGULATORY LIABILITY	\$ -	\$ (1,440,474)	\$ (1,440,474)
14			
15 OVERALL INCREASE TO RATEBASE	\$ -	\$ 10,325,850	10,325,850
16			
17 <u>HOPKINS RIDGE INFILL OPERATING EXPENSE</u>			
18 DEPRECIATION EXPENSE	\$ -	\$ 571,980	\$ 571,980
19 PROPERTY INSURANCE	-	9,545	9,545
20 PROPERTY TAXES	-	38,900	38,900
21 TOTAL OPERATING EXPENSES	\$ -	\$ 620,426	\$ 620,426
22			
23 <u>POWER COST ASSOCIATED WITH HOPKINS RIDGE INFILL</u>			
24 AMORTIZATION OF MITIGATION CREDIT - REG LIAB	\$ -	(1,451,500)	(1,451,500)
25 TOTAL POWER COSTS	\$ -	\$ (1,451,500)	\$ (1,451,500)
26			
27 INCREASE (DECREASE) OPERATING EXPENSE			(831,074)
28			
29 INCREASE (DECREASE) FIT @		35%	290,876
30 INCREASE (DECREASE) NOI			\$ 540,198

**PUGET SOUND ENERGY-ELECTRIC
WILD HORSE WIND PLANT
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2007
GENERAL RATE INCREASE**

LINE NO. DESCRIPTION	TEST YEAR	PROFORMA	ADJUSTMENT
1 <u>WILD HORSE RATE BASE</u>			
2 PLANT BALANCE	\$ 294,039,590	\$ 370,743,821	\$ 76,704,231
3 ACCUMULATED DEPRECIATION	(4,334,788)	(7,552,479)	(3,217,691)
5 DEFERRED TAX LIABILITY	(19,850,576)	(30,939,082)	(11,088,506)
6 DEFERRED TAX ASSET	188,678	338,313	149,635
7 WILD HORSE RATE BASE	<u>\$ 270,042,904</u>	<u>\$ 332,590,573</u>	<u>\$ 62,547,669</u>
8			
9 <u>WILD HORSE OPERATING EXPENSES:</u>			
10			
11 DEPRECIATION EXPENSE	\$ 10,970,072	\$ 14,342,059	\$ 3,371,987
12			
13 INCREASE (DECREASE) EXPENSE			3,371,987
14			
15 INCREASE (DECREASE) FIT @		35%	(1,180,195)
16 INCREASE (DECREASE) NOI			<u>\$ (2,191,792)</u>

**PUGET SOUND ENERGY-ELECTRIC
GOLDENDALE
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2007
GENERAL RATE INCREASE**

LINE NO.	DESCRIPTION	TEST YEAR	ADJUSTED RATE YEAR	ADJUSTMENT
1	<u>GOLDENDALE RATEBASE</u>			
2	PLANT BALANCE	\$ 190,398,571	\$ 322,813,562	\$ 132,414,991
3	ACCUM DEPRECIATION	(114,167,676)	(193,878,589)	(79,710,913)
4	DEFERRED DEPR	(85,103)	(2,339,847)	(2,254,744)
5	DFIT RETIREMENTS		(2,078,373)	(2,078,373)
6	NET GOLDENDALE PLANT RATEBASE	<u>\$ 76,145,792</u>	<u>\$ 124,516,753</u>	<u>\$ 48,370,961</u>
7				
8	<u>GOLDENDALE OPERATING EXPENSE</u>			
9	DEPRECIATION EXPENSE	2,880,942	4,983,644	2,102,703
10	DEPR. EXP INCLUDED 4.33 DEPR. STUDY	(2,880,942)	(3,212,561)	(331,619)
11	PROPERTY INSURANCE	78,101	147,150	69,049
12	PROPERTY TAXES	1,142,289	891,929	(250,360)
13	TOTAL OPERATING EXPENSES	<u>\$ 1,220,390</u>	<u>\$ 2,810,162</u>	<u>\$ 1,589,772</u>
14				
15	INCREASE (DECREASE) OPERATING EXPENSE			1,589,772
16				
17	INCREASE (DECREASE) FIT @		35%	<u>(556,420)</u>
18	INCREASE (DECREASE) NOI			<u><u>\$ (1,033,352)</u></u>

**PUGET SOUND ENERGY-ELECTRIC
SUMAS
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2007
GENERAL RATE INCREASE**

LINE NO.	DESCRIPTION	TEST YEAR	ADJUSTED RATE YEAR	ADJUSTMENT
1	<u>SUMAS RATEBASE</u>			
2	PLANT BALANCE		\$ 99,273,738	\$ 99,273,738
3	ACCUM DEPRECIATION		(74,483,303)	(74,483,303)
5	DEFERRED INCOME TAX		(45,714)	(45,714)
6	NET SUMAS PLANT RATEBASE	\$ -	\$ 24,744,721	\$ 24,744,721
7				
8	<u>SUMAS OPERATING EXPENSE</u>			
9	DEPRECIATION EXPENSE		1,720,732	1,720,732
10	PROPERTY INSURANCE		106,303	106,303
11	PROPERTY TAXES		543,257	543,257
12	TOTAL OPERATING EXPENSES	\$ -	\$ 2,370,292	\$ 2,370,292
13				
14	INCREASE (DECREASE) OPERATING EXPENSE			2,370,292
15				
16	INCREASE (DECREASE) FIT @		35%	(829,602)
17	INCREASE (DECREASE) NOI			<u>\$ (1,540,690)</u>

**PUGET SOUND ENERGY-ELECTRIC
WHITEHORN
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2007
GENERAL RATE INCREASE**

LINE NO. DESCRIPTION	TEST YEAR	ADJUSTED RATE YEAR	ADJUSTMENT
1	<u>RATEBASE</u>		
2		\$ 19,999,792	\$ 19,999,792
3		(16,002,667)	(16,002,667)
5		82,210	82,210
6		<u>\$ -</u>	<u>\$ 4,079,335</u>
7			
8		\$ 11,821,375	\$ 11,821,375
9		(629,728)	(629,728)
10		Incl. in Line 4	-
11		<u>\$ -</u>	<u>\$ 11,191,647</u>
12			
13		<u>\$ -</u>	<u>\$ 15,270,982</u>
14			
15	<u>WHITEHORN OPERATING EXPENSE</u>		
16		600,667	600,667
17		1,679,273	1,679,273
18		<u>\$ -</u>	<u>\$ 2,279,940</u>
19			
20			2,279,940
21			
22		35%	(797,979)
23			<u>\$ (1,481,961)</u>

**PUGET SOUND ENERGY-ELECTRIC
BAKER HYDRO RELICENSING COSTS
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2007
GENERAL RATE INCREASE**

LINE NO.	DESCRIPTION	TEST YEAR	ADJUSTED RATE YEAR	ADJUSTMENT
1	<u>BAKER HYDRO RELICENSING RATEBASE</u>			
2	PLANT BALANCE		\$ -	\$ -
3	ACCUM AMORTIZATION		-	-
5				
6	<u>BAKER HYDRO RELICENSING OPERATING EXPENSE</u>			
7	AMORTIZATION EXPENSE		-	-
8	TOTAL OPERATING EXPENSES	\$ -	\$ -	-
9				
10	INCREASE (DECREASE) EXPENSE			-
11				
12	INCREASE (DECREASE) FIT @		35%	-
13	INCREASE (DECREASE) NOI		\$ -	-

**PUGET SOUND ENERGY-ELECTRIC
PASS-THROUGH REVENUES AND EXPENSES
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2007
GENERAL RATE INCREASE**

LINE NO. DESCRIPTION	ADJUSTMENT
1 <u>REMOVE REVENUE ASSOCIATED WITH RIDERS:</u>	
2 REMOVE CONSERVATION RIDER - SCHEDULE 120	34,020,040
3 REMOVE MUNICIPAL TAXES - SCHEDULE 81	62,694,985
5 REMOVE LOW INCOME AMORTIZATION - SCHEDULE 129	7,367,010
6 REMOVE RESIDENTIAL EXCHANGE - SCH 194	(88,813,196)
7 GREEN POWER - SCH 135/136 (TAGS ELIM IN PAGE 4.03)	2,327,274
8 GREEN POWER - SCH 135/136 ELIMINATE UNDER EXPENSED	(36,729)
9 TOTAL INCREASE (DECREASE) IN REVENUES	<u>(17,559,384)</u>
10	
11 <u>DECREASE REVENUE SENSITIVE ITEMS FOR DECREASE IN REVENUES:</u>	
12 BAD DEBTS 0.35024%	(61,500)
13 ANNUAL FILING FEE 0.20000%	(35,119)
14 STATE UTILITY TAX 3.85944%	(677,694)
15 TOTAL	<u>(774,313)</u>
16	
17 <u>REMOVE EXPENSES ASSOCIATED WITH RIDERS</u>	
18 REMOVE CONSERVATION RIDER - SCHEDULE 120	(32,489,368)
19 REMOVE MUNICIPAL TAXES - SCHEDULE 81	(59,746,435)
20 REMOVE LOW INCOME AMORTIZATION - SCHEDULE 129	(7,035,748)
21 REMOVE RESIDENTIAL EXCHANGE - SCH 194	84,819,852
22 GREEN POWER - SCH 135/136 (TAGS ELIM IN PAGE 4.03)	(728,639)
23 GREEN POWER - SCH 135/136 BENEFITS PORTION OF ADMIN	(78,841)
24 GREEN POWER - SCH 135/136 TAXES PORTION OF ADMIN	(26,197)
25 TOTAL INCREASE (DECREASE) EXPENSE	<u>(15,285,377)</u>
26	
27 INCREASE (DECREASE) OPERATING INCOME BEFORE FIT	(1,499,693)
28 INCREASE (DECREASE) FIT 35.00%	(524,893)
29 INCREASE (DECREASE) NOI	<u>(974,801)</u>

PUGET SOUND ENERGY-ELECTRIC
 BAD DEBTS
 FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2007
 GENERAL RATE INCREASE

LINE NO.	YEAR	NET WRITEOFF'S	GROSS REVENUES	SALES FOR RESALE OTHER	SALES FOR RESALE FIRM	NET REVENUES	PERCENT WRITEOFF'S TO REVENUE
1	12 MOS ENDED 09/30/2004	\$ 4,958,005	\$ 1,418,771,663	\$ 68,519,491	\$ 361,720	\$ 1,349,890,453	0.3672895%
2	12 MOS ENDED 09/30/2005	\$ 5,272,921	\$ 1,604,948,532	\$ 151,158,328	\$ 350,901	\$ 1,453,439,303	0.3627892%
3	12 MOS ENDED 09/30/2006	\$ 5,231,530	\$ 1,808,438,634	\$ 176,534,948	\$ 362,636	\$ 1,631,541,050	0.3206496%
5							
6	Test Period Revenues		\$ 2,097,973,590	\$ 268,574,887	\$ 374,331	\$ 1,829,024,372	
7							
8	PROFORMA BAD DEBT RATE					0.3502428%	
9	PROFORMA BAD DEBTS					\$ 6,406,026	
10							
11	UNCOLLECTIBLES CHARGED TO EXPENSE IN TEST YEAR					5,593,869	
12	INCREASE (DECREASE) EXPENSE					\$	812,156
13							
14	INCREASE (DECREASE) FIT					35%	(284,255)
15	INCREASE (DECREASE) NOI					\$	(527,902)

**PUGET SOUND ENERGY-ELECTRIC
MISCELLANEOUS OPERATING EXPENSE
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2007
GENERAL RATE INCREASE**

LINE NO. DESCRIPTION	ACTUAL	PROFORMA RESTATED	ADJUSTMENT
1 <u>OPERATING EXPENSES</u>			
2 AMORT OF DEFERRED TAXES OF INDIRECT OVERHEADS			
3 REGULATORY ASSET (WUTC DOC # UE-051527)	1,470,386		(1,470,386)
5 RESIDENTIAL EXCHANGE BENEFITS CREDITED TO CUSTOMERS (WUTC 6 DOC # UE-071024)		1,487,423	1,487,423
7 ADJUSTMENT TO MOVE LEGAL COSTS ASSOCIATED WITH THE SALES OF 8 POWER FROM 557 TO A&G (FERC 923).		382,511	382,511
9 COST OF WIRE ZONE VEGETATION MANAGEMENT PROGRAM		4,000,000	4,000,000
10 INCREASE IN SERVICE CONTRACT BASELINE CHARGES TSM	476,350	492,927	16,577
11 INCREASE IN SERVICE CONTRACT BASELINE CHARGES DST	29,854,650	30,887,343	1,032,693
12 ADJUSTMENT FOR ONE-TIME FAS 106 CURTAILMENT GAIN	(286,923)		286,923
13 COMPANY STORE - PURCHASE OF MERCHANDISE IN CUST SVC EXP	56,347	-	(56,347)
14 COMPANY STORE - NET PURCH/SALES OF MERCHANDISE IN A&G	(31,393)	-	31,393
15 SUMMIT BUILDING CONTRACTUAL RENT INCREASES			0
16 REQUESTED IN ACCOUNTING PETITION #UE-071876	828,227	2,068,609	1,240,381
17 AMORTIZATION OF SUMMIT BUYOUT PURCHASE OPTION			0
18 REQUESTED IN ACCOUNTING PETITION #UE-071876		(1,026,113)	(1,026,113)
19 MERGER SAVINGS	73,891		(73,891)
20 ADJUSTMENT TO MOVE WAGES FOR OFFICER TIME ON MERGER			0
21 CHARGED TO PSE:			0
22 EMPLOYEE BENEFITS, FERC 926	6,697		(6,697)
23 PAYROLL TAXES, FERC 408.1	2,239		(2,239)
24 LABOR & LABOR OH, PTO, INCENTIVES, FERC 920	25,449		(25,449)
25 PUBLISH & DIST ANNUAL REPORTS TO STOCKHOLDERS	194,726		(194,726)
26 STOCKHOLDER MEETING EXPENSES	157,047		(157,047)
27 TRANSFER AGENT & REGISTRAR FEES	337,442		(337,442)
28 INCREASE (DECREASE) IN EXPENSE	\$ 31,694,750	\$ 38,292,700	5,127,564
29			
30 INCREASE(DECREASE) OPERATING EXPENSE			5,127,564
31 INCREASE(DECREASE) FIT @		35%	(1,794,647)
32			
33 INCREASE(DECREASE) NOI			<u>\$ (3,332,917)</u>
34			
35 <u>RATEBASE</u>			
36			
37 ADJUSTMENT FOR TRANSFERS OF RATEBASE TO NON-UTILITY PLANT	122,341		(122,341)
38 CWIP "IN SERVICE" BUT NOT TRANSFERRED TO PLANT		3,245,319	3,245,319
39			
40 TOTAL ADJUSTMENT TO RATEBASE			<u>\$ 3,122,978</u>

PUGET SOUND ENERGY-ELECTRIC
PROPERTY TAXES
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2007
GENERAL RATE INCREASE

LINE NO.	DESCRIPTION	WASHINGTON	MONTANA	OREGON	TOTAL
1	RESTATED PROPERTY TAX	\$ 25,930,090	\$ 10,417,029	\$ 692,978	\$ 37,040,097
2	CHARGED TO EXPENSE IN TY	22,347,868	10,228,277	710,570	33,286,715
3	INCREASE(DECREASE) EXPENSE	\$ 3,582,222	\$ 188,752	\$ (17,592)	\$ 3,753,382
5	INCREASE(DECREASE) FIT @			35%	(1,313,684)
6					
7	INCREASE(DECREASE) NOI				\$ (2,439,698)

**PUGET SOUND ENERGY-ELECTRIC
EXCISE TAX & FILING FEE
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2007
GENERAL RATE INCREASE**

LINE NO. DESCRIPTION	AMOUNT
1 RESTATED EXCISE TAXES	\$ 69,650,077
2 CHARGED TO EXPENSE FOR TEST YEAR	<u>70,238,535</u>
3 INCREASE (DECREASE) EXCISE TAX	\$ (588,458)
5 RESTATED WUTC FILING FEE	\$ 3,628,231
6 CHARGED TO EXPENSE FOR TEST YEAR	<u>3,739,072</u>
7 INCREASE(DECREASE) WUTC FILING FEE	\$ (110,841)
8	
9 INCREASE(DECREASE) EXPENSE	(699,299)
10	
11 INCREASE(DECREASE) FIT @ 35%	<u>244,755</u>
12 INCREASE(DECREASE) NOI	<u>\$ 454,544</u>

**PUGET SOUND ENERGY-ELECTRIC
D&O INSURANCE
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2007
GENERAL RATE INCREASE**

LINE NO.	DESCRIPTION	TEST YEAR	RESTATED	ADJUSTMENT
1	D & O INS. CHG EXPENSE	\$ 1,081,710	\$ 1,117,519	\$ 35,809
2				
3				
4	INCREASE (DECREASE) EXPENSE			35,809
5				
6	INCREASE (DECREASE) FIT @		35%	(12,533)
7	INCREASE (DECREASE) NOI			<u>\$ (23,276)</u>

**PUGET SOUND ENERGY-ELECTRIC
MONTANA ELECTRIC ENERGY TAX
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2007
GENERAL RATE INCREASE**

LINE NO.	DESCRIPTION	AMOUNT
1	RESTATED KWH (COLSTRIP)	4,727,011,299
2	TAX RATE	<u>0.00035</u>
3		
5	RESTATED EXP	1,654,454
6	RECORDED EXP - TEST PERIOD	<u>1,586,606</u>
7	INCREASE (DECREASE) EXPENSE	\$ 67,848
8		
9	INCREASE (DECREASE) FIT @ 35%	<u>(23,747)</u>
10	INCREASE (DECREASE) NOI	<u>\$ (44,101)</u>

**PUGET SOUND ENERGY-ELECTRIC
INTEREST ON CUSTOMER DEPOSITS
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2007
GENERAL RATE INCREASE**

LINE NO.	DESCRIPTION	AMOUNT
1	INTEREST EXPENSE FOR TEST YEAR	\$ 350,242
2		
3		
4		
5	FIT Expense Increase	
6		
7	INCREASE (DECREASE) NOI	<u>\$ (350,242)</u>

PUGET SOUND ENERGY-ELECTRIC
SFAS 133
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2007
GENERAL RATE INCREASE

LINE NO.		ACTUAL	RESTATED	ADJUSTMENT
1	FAS 133 OPERATING EXPENSE	\$ 887,595	\$ -	\$ (887,595)
2				
3	INCREASE (DECREASE) IN EXPENSE	\$ 887,595	\$ -	\$ (887,595)
5				
6				
7	INCREASE (DECREASE) DEFERRED FIT @	35%		310,658
8				
9	INCREASE (DECREASE) NOI			<u>\$ 576,937</u>

**PUGET SOUND ENERGY-ELECTRIC
RATE CASE EXPENSES
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2007
GENERAL RATE INCREASE**

LINE NO.	DESCRIPTION		AMOUNT
1	DEFERRED EXPENDITURES TO BE AMORTIZED:		
2			
3	REMAINING 2001 GRC DEFERRALS TO BE AMORTIZED @11/01/08	IMMATERIAL	
5	INCREASE (DECREASE) EXPENSE	<u>(176,736)</u>	\$ (176,736)
6			
7			
8	REMAINING 2004 GRC DEFERRALS TO BE AMORTIZED @11/01/08	IMMATERIAL	
9	LESS TEST YEAR EXPENSE: 2004 GRC AMORTIZATION	251,888	
10	INCREASE (DECREASE) EXPENSE	<u>(251,888)</u>	(251,888)
11			
12			
13	EXPENSES TO BE NORMALIZED:		
14			
15	ESTIMATED GRC EXPENSES TO BE NORMALIZED	<u>\$ 1,474,000</u>	
16			
17	ANNUAL NORMALIZATION (LINE 22 / 2 YEARS)	737,000	
18	LESS TEST YEAR EXPENSE: GRC DIRECT CHARGES TO FERC 928	<u>321,200</u>	
19			
20	INCREASE (DECREASE) EXPENSE	<u>\$ 415,800</u>	415,800
21			
22			
23	ESTIMATED PCORC EXPENSES TO BE NORMALIZED	<u>\$ 325,000</u>	
24			
25	ANNUAL NORMALIZATION (LINE 29 / 2)	162,500	
26	LESS TEST YEAR EXPENSE: PCORC DIRECT CHARGES	<u>351,915</u>	
27			
28	INCREASE (DECREASE) EXPENSE	<u>\$ (189,415)</u>	(189,415)
29			
30			
31	TOTAL INCREASE (DECREASE) EXPENSE		\$ (202,239)
32			
33	INCREASE(DECREASE) FIT @	35%	70,784
34	INCREASE(DECREASE) NOI		<u>\$ 131,455</u>

**PUGET SOUND ENERGY-ELECTRIC
DEFERRED GAINS/LOSSES ON PROPERTY SALES
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2007
GENERAL RATE INCREASE**

LINE NO. DESCRIPTION	AMOUNT
1 DEFERRED GAIN RECORDED SINCE UE-060266, <i>et al.</i> at 10/31/2008	\$ (7,996,289)
2 DEFERRED LOSS RECORDED SINCE UE-060266, <i>et al.</i> at 10/31/2008	663,702
3 TOTAL DEFERRED NET (GAIN) LOSS TO AMORTIZE	\$ (7,332,587)
5 AMORTIZATION OF DEFERRED NET (GAIN) LOSS FOR RATE YEAR (Line 3/3years)	(2,444,196)
6	
7 AMORTIZATION OF DEFERRED NET (GAIN) LOSS FOR TEST YEAR	(1,475,528)
8	
9 INCREASE (DECREASE) EXPENSE (Line 5 - Line 7)	\$ (968,668)
10	
11 INCREASE (DECREASE) FIT @ 35%	339,034
12	
13 INCREASE (DECREASE) NOI	\$ 629,634

**PUGET SOUND ENERGY-ELECTRIC
PROPERTY & LIABILITY INSURANCE
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2007
GENERAL RATE INCREASE**

LINE NO.	DESCRIPTION	ACTUAL	PROFORMA	ADJUSTMENT
1	PROPERTY INSURANCE EXPENSE	\$ 2,396,344	\$ 2,695,705	299,360
2	LIABILITY INSURANCE EXPENSE	1,623,650	1,848,953	225,303
3	INCREASE(DECREASE) EXPENSE	\$ 4,019,994	\$ 4,544,657	524,664
5	INCREASE (DECREASE) OPERATING EXPENSE			524,664
6				
7	INCREASE (DECREASE) FIT @	35%		(183,632)
8	INCREASE (DECREASE) NOI			\$ (341,031)

**PUGET SOUND ENERGY-ELECTRIC
PENSION PLAN
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2007
GENERAL RATE INCREASE**

LINE NO.	DESCRIPTION	ACTUAL	RESTATED	ADJUSTMENT
1.	QUALIFIED RETIREMENT FUND	\$ 837,289	\$ -	\$ (837,289)
2.	SERP PLAN	2,096,718	2,236,061	\$ 139,343
3.	INCREASE(DECREASE) EXPENSE	\$ 2,934,007	\$ 2,236,061	\$ (697,946)
5.	INCREASE(DECREASE) OPERATING EXPENSE			(697,946)
6.				
7.	INCREASE (DECREASE) FIT @	35%		244,281
8.	INCREASE (DECREASE) NOI			\$ 453,665

**PUGET SOUND ENERGY-ELECTRIC
WAGE INCREASE
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2007
GENERAL RATE INCREASE**

LINE NO.	DESCRIPTION	TEST YEAR	RATE YEAR	ADJUSTMENT
1	WAGES:			
2	PURCHASED POWER	2,850,065	2,986,583	136,518
3	TRANSMISSION	541,430	591,682	50,252
4	OTHER POWER SUPPLY	9,875,831	10,549,442	673,611
5	DISTRIBUTION	18,820,484	20,366,292	1,545,808
6	CUSTOMER ACCTS	10,109,408	10,847,062	737,654
7	CUSTOMER SERVICE	1,382,177	1,460,415	78,238
8	SALES	270,628	283,591	12,963
9	ADMIN. & GENERAL	18,491,934	19,406,216	914,282
10	TOTAL WAGE INCREASE	<u>62,341,957</u>	<u>66,491,283</u>	4,149,326
11				
12	PAYROLL TAXES	5,234,729	5,481,585	246,856
13	TOTAL WAGES & TAXES	<u>67,576,686</u>	<u>71,972,868</u>	4,396,182
14				
15	INCREASE (DECREASE) OPERATING EXPENSE			\$ 4,396,182
16	INCREASE (DECREASE) FIT @ 35%			(1,538,664)
17	INCREASE (DECREASE) NOI			<u>\$ (2,857,518)</u>

**PUGET SOUND ENERGY-ELECTRIC
INVESTMENT PLAN
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2007
GENERAL RATE INCREASE**

LINE NO.	DESCRIPTION		AMOUNT
1	MANAGEMENT (INC. EXECUTIVES)		
2	INVESTMENT PLAN APPLICABLE TO MANAGEMENT	\$ 3,841,177	
3	RATE YEAR MANAGEMENT WAGE INCREASE	4.79% 183,992	
5			4,025,169
6	IBEW		
7	INVESTMENT PLAN APPLICABLE TO IBEW	1,012,427	
8	RATE YEAR IBEW WAGE INCREASE	7.97% 80,690	
9	TOTAL COMPANY CONTRIBUTION FOR IBEW		1,093,117
10			
11	UA		
12	INVESTMENT PLAN APPLICABLE TO UA	805,316	
13	RATE YEAR UA WAGE INCREASE	6.61% 53,231	
14	TOTAL COMPANY CONTRIBUTION FOR UA		858,547
15			
16	TOTAL		
17	TOTAL PROFORMA COSTS (LN 4 + LN 9 + 14)		5,976,834
18	PRO FORMA COSTS APPLICABLE TO OPERATIONS	55.72%	3,330,292
19	CHARGED TO EXPENSE FOR TEST YEAR		3,153,150
20	INCREASE (DECREASE) EXPENSE		177,142
21			
22	INCREASE (DECREASE) FIT @	35%	(62,000)
23	INCREASE (DECREASE) NOI		(115,142)

**PUGET SOUND ENERGY-ELECTRIC
EMPLOYEE INSURANCE
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2007
GENERAL RATE INCREASE**

LINE NO.	DESCRIPTION	AMOUNT
1	<u>BENEFIT CONTRIBUTION:</u>	
2	SALARIED EMPLOYEES	\$ 8,503,888
3	UNION EMPLOYEES	7,983,040
5		
6	APPLICABLE TO OPERATIONS @ 55.72%	9,186,516
7	CHARGED TO EXPENSE 09/30/07	7,670,035
8	INCREASE(DECREASE) EXPENSE	1,516,481
9		
10	INCREASE(DECREASE) FIT @ 35%	(530,768)
11		
12	INCREASE(DECREASE) NOI	\$ (985,713)

**PUGET SOUND ENERGY-ELECTRIC
INCENTIVE PAY
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2007
GENERAL RATE INCREASE**

LINE NO.	DESCRIPTION	ACTUAL	STAFF	ADJUSTMENT
1	<u>OPERATING EXPENSES (RESTATED)</u>			
2	PURCHASED POWER	\$ 188,513	\$ 129,318	\$ (59,195)
3	OTHER POWER SUPPLY	653,158	456,759	(196,399)
5	TRANSMISSION	35,789	25,622	(10,167)
6	DISTRIBUTION	1,244,798	881,736	(363,062)
7	CUSTOMER ACCTS	668,620	469,657	(198,963)
8	CUSTOMER SERVICE	91,412	63,220	(28,192)
9	SALES	17,895	12,293	(5,602)
10	ADMIN. & GENERAL	1,223,027	840,252	(382,775)
11	TOTAL INCENTIVE/MERIT PAY	\$ 4,123,212	\$ 2,878,857	\$ (1,244,355)
12				
13	PAYROLL TAXES ASSOC WITH MERIT PAY	298,521	208,429	(90,092)
14	INCREASE(DECREASE) EXPENSE	4,421,733	3,087,286	(1,334,447)
15				
16	INCREASE (DECREASE) OPERATING EXPENSE			(1,334,447)
17				
18	INCREASE (DECREASE) FIT @		35%	467,056
19	INCREASE (DECREASE) NOI			<u>\$ 867,390</u>

**PUGET SOUND ENERGY-ELECTRIC
MONTANA CORPORATE LICENSE TAX
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2007
GENERAL RATE INCREASE**

LINE NO.	DESCRIPTION	AMOUNT
1	ESTIMATED FEDERAL CURRENT COMBINED TAXABLE	
2	INCOME AT SEPTEMBER 30, 2007	\$ 122,751,606
3	ADD: INCREASE TO PRE-TAX INCOME FROM TAX BENEFIT OF	12,964,554
5	INCOME SUBJECT TO APPORTIONMENT	135,716,160
6		
7	MONTANA APPORTIONMENT FACTOR	5.97%
8	MONTANA TAXABLE INCOME	8,102,255
9		
10	PROFORMA MONTANA CORP. LIC. TAX	6.75% 546,902
11	CHARGED TO EXPENSE IN TEST YEAR	313,000
12		-
13	INCREASE (DECREASE) EXPENSE	233,902
14		
15	INCREASE (DECREASE) FIT @	35% (81,866)
16		-
17	INCREASE (DECREASE) NOI	\$ (152,036)

**PUGET SOUND ENERGY-ELECTRIC
AMORTIZATION OF GOLDENDALE FIXED COST DEFERRAL
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2007
GENERAL RATE INCREASE**

LINE NO.	DESCRIPTION	ACTUAL	PROFORMA	ADJUSTMENT
1				
2				
3				
4	AMORTIZATION OF FIXED COST DEFERRAL		\$ 4,162,154	\$ 4,162,154
6	AMORTIZATION OF FIXED COST DEFERRAL	(10,843,497)		10,843,497
7		(10,843,497)	4,162,154	\$ 15,005,651
8				
9				
10	INCREASE (DECREASE) OPERATING EXPENSES			15,005,651
11				
12	INCREASE(DECREASE) FIT @		35%	(5,251,978)
13				
14	INCREASE(DECREASE) NET OPERATING INCOME			<u>\$ (9,753,673)</u>
15				
16	RATE BASE			
17	GOLDENDALE AMA GROSS - DEF & INT.	\$ -	\$ 12,486,461	\$ 12,486,461
18	GOLDENDALE AMA ACCUMULATED AMORTIZATION	-	(2,081,077)	(2,081,077)
19	GOLDENDALE AMA ACCUMULATED DEFERRED FIT	-	(3,642,131)	(3,642,131)
20	TOTAL GOLDENDALE RATE BASE	-	<u>6,763,253</u>	<u>6,763,253</u>

PUGET SOUND ENERGY-ELECTRIC
 STORM DAMAGE
 FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2007
 GENERAL RATE INCREASE

LINE NO.	DESCRIPTION	Transmission	Distribution	AMOUNT Total
1	NORMAL STORMS			
2	ACTUAL O&M:			
3	TWELVE MONTHS ENDED 9/30/02	\$ (4,894)	\$ 6,583,315	\$ 6,578,420
5	TWELVE MONTHS ENDED 9/30/03	6,615	5,325,797	5,332,412
6	TWELVE MONTHS ENDED 9/30/04	202,197	12,062,138	12,264,335
7	TWELVE MONTHS ENDED 9/30/05	50,866	1,947,137	1,998,004
8	TWELVE MONTHS ENDED 9/30/06	417,714	10,336,885	10,754,599
9	TWELVE MONTHS ENDED 9/30/07	495,730	10,500,628	10,996,358
10	TOTAL NORMAL STORMS	1,168,227	46,755,899	47,924,127
11				
12	SIX-YEAR AVERAGE STORM EXPENSE FOR RATE YEAR	194,705	7,792,650	7,987,354
13				
14	CHARGED TO EXPENSE FOR TEST YEAR ENDED 9/30/07:			
15	STORM DAMAGE EXPENSE (LINE 8)	495,730	10,500,628	10,996,358
16				
17	INCREASE (DECREASE) OPERATING EXPENSE	(301,025)	(2,707,978)	(3,009,003)
18				
19				
20	CATASTROPHIC STORMS			
21	DEFERRED BALANCES FOR 3 YEAR AMORTIZATION AT			
22	START OF RATE YEAR (11/1/08):			
23	12/4/03 WINDSTORM	3,313,916		
24	2006 STORM DAMAGE (EXCL 12/13/07 WIND STORM)	24,436,289		
25	2007 STORM DAMAGE	781,320		
26	TOTAL	28,531,525		
27	ANNUAL AMORTIZATION (LINE 26, 4 YEARS)	7,132,881		
28				
29	DEFERRED BALANCES FOR 6 YEAR AMORTIZATION AT			
30	START OF RATE YEAR (11/1/08):			
31	12/13/06 WIND STORM	79,849,846		
32	TOTAL	79,849,846		
33	ANNUAL AMORTIZATION (LINE 31, 6 YEARS)	13,308,308		
34	TOTAL RATE YEAR AMORTIZATION		20,441,189	
35	LESS CATASTROPHIC STORM AMORT AS (9/30/07)		3,843,257	
36				
37	INCREASE (DECREASE) OPERATING EXPENSE (LINE 26 + LINE 32 - LINE 34)			16,597,932
38				
39	TOTAL INCREASE (DECREASE) OPERATING EXPENSE (LINE 16 + LINE 36)			13,588,929
40				
41	INCREASE (DECREASE) FIT @ 35% (LINE 38 X 35%)			(4,756,125)
42				
43	INCREASE (DECREASE) NOI			\$ (8,832,804)

**PUGET SOUND ENERGY-ELECTRIC
REGULATORY ASSETS AND LIABILITIES
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2007
GENERAL RATE INCREASE**

LINE NO.	DESCRIPTION	TEST YEAR	RATE YEAR	ADJUSTMENT
1	REGULATORY ASSETS/LIABS AMORTIZATION EXPENSE			
2	CABOT BUYOUT	\$ 2,962,000	\$ -	\$ (2,962,000)
3	TENASKA	3,975,750	5,425,333	1,449,583
4	BEP	3,526,620	3,526,620	-
5	WHITE RIVER PLANT COSTS	1,494,702	1,494,702	(0)
6	WHITE RIVER RELICENSING & CWIP	-	-	-
7	CANWEST	(3,797,508)	-	3,797,508
8	HOPKINS RIDGE PREPAID TRANSMISSION	1,800,805	2,034,455	233,651
9	TOTAL AMORTIZATION OF REG ASSETS/LIABS	<u>\$ 9,962,369</u>	<u>\$ 12,481,110</u>	<u>\$ 2,518,741</u>
10				
11	INCREASE (DECREASE) FIT		35%	<u>(881,559)</u>
12				
13	SUBTOTAL INCREASE (DECREASE) NOI			<u>\$ (1,637,182)</u>
14				
15	TENASKA FLOW THRU	19,435,248	26,516,667	7,081,419
16				
17	TOTAL REGULATORY AMORT	\$ 29,397,617	\$ 38,997,777	\$ 9,600,160
18				
19	INCREASE (DECREASE) NOI			<u>\$ (8,718,601)</u>
20				
21	RATE BASE ADJUSTMENT			
22	<u>AMA OF REGULATORY ASSET/LIABILITY NET OF ACCUM AMORT AND DFIT</u>			
23	CABOT	\$ 3,587,408	\$ 21,125	\$ (3,566,283)
24	TENASKA	148,527,880	94,583,875	(53,944,005)
25	BEP	24,687,582	19,609,943	(5,077,639)
26	WHITE RIVER PLANT COSTS	38,412,978	33,499,702	(4,913,275)
27	WHITE RIVER RELICENSING & CWIP	22,986,145	21,740,384	(1,245,761)
28	CANWEST	(3,088,872)	(0)	3,088,872
29	HOPKINS RIDGE PREPAID TRANSMISSION	8,516,859	4,614,747	(3,902,112)
30	TOTAL REGULATORY ASSETS/LIABS RATEBASE	<u>\$ 243,629,980</u>	<u>\$ 174,069,776</u>	<u>\$ (69,560,204)</u>

**PUGET SOUND ENERGY - ELECTRIC
DEPRECIATION
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2007
GENERAL RATE CASE**

LINE NO.	DESCRIPTION	TEST YEAR	RESTATED	ADJUSTMENT
1	<u>ADJUSTMENT TO OPERATING EXPENSES</u>			
2	<u>DEPRECIATION EXPENSE</u>			
3	403 DEPRECIATION EXPENSE	150,517,255	141,245,333	(9,271,922)
5	403 ELECTRIC PROTION OF COMMON	4,428,776	9,080,310	4,651,534
6	403 DEPR. EXP. ON ASSETS NOT INCLUDED IN STUDY	4,846,023	4,417,336	(428,687)
7	SUBTOTAL DEPRECIATION EXPENSE 403	<u>159,792,054</u>	<u>154,742,979</u>	<u>(5,049,076)</u>
8				
9	403.1 DEPR. EXP- FAS 143 (RECOVERED IN RATES)	426,601	426,601	-
10	403.1 DEPR. EXP - FAS 143 (NOT RECOVERED IN RATES)	58,728		(58,728)
11	SUBTOTAL DEPRECIATION EXPENSE 403.1	<u>485,329</u>	<u>426,601</u>	<u>(58,728)</u>
12				
13	TOTAL DEPRECIATION EXPENSE	<u>160,277,383</u>	<u>155,169,580</u>	<u>(5,107,804)</u>
14				
15	<u>AMORTIZATION EXPENSE</u>			
16	4111 ACCRETION EXP. - FAS 143 (RECOVERED IN RATES)	659,907	659,907	-
17	4111 ACCRETION EXP. - FAS 143 (NOT RECOVERED IN RATE)	139,039		(139,039)
18	SUBTOTAL ACCRETION EXPENSE 411.1	<u>798,946</u>	<u>659,907</u>	<u>(139,039)</u>
19				
20	FLEET DEPR. EXP. ON INC STMNT NOT RECORDED IN 403	994	1,183	189
21				
22	INCREASE(DECREASE) EXPENSE			\$ (5,246,653)
23	INCREASE(DECREASE) FIT	35.00%		
24	INCREASE(DECREASE) DEFERRED FIT			
25	INCREASE(DECREASE) NOI			<u>\$ 5,246,653</u>
26				
27				
28	<u>ADJUSTMENT TO RATE BASE</u>			
29	ADJUST ACCUM. DEPR. FOR ADDITIONAL DEPRECIATION EXPENSE (50% OF LINE 22)			
30	ADJUST DFIT FOR LESS DFIT EXPENSE (50% OF LINE 24)			
31	ADJUSTMENT TO RATE BASE			

**PUGET SOUND ENERGY-ELECTRIC
SKAGIT COUNTY SERVICE CENTER
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2007
GENERAL RATE INCREASE**

LINE NO.	DESCRIPTION	TEST YEAR	PROFORMA	ADJUSTMENT
1				
2	<u>PLANT RATEBASE</u>			
3	PLANT BALANCE	\$ 1,092,646	\$ 22,041,052	\$ 20,948,406
5	ACCUM DEPR	(297,794)	(2,026,436)	(1,728,642)
6	DEFERRED INCOME TAX	(63,500)	356,915	420,415
7	SKAGIT COUNTY SERVICE FACILITY RATEBASE	<u>731,352</u>	<u>20,371,531</u>	<u>19,640,179</u>
8				
9	<u>SKAGIT OPERATING EXPENSE</u>			
10	LEASE PAYMENTS	82,580	-	(82,580)
11	DEPRECIATION EXPENSE	34,936	1,350,957	1,316,021
12	PROPERTY INSURANCE	1,936	14,113	12,177
13	SKAGIT COUNTY FACILITY OPERATING EXPENSES	<u>119,451</u>	<u>1,365,070</u>	<u>1,245,619</u>
14				
15	INCREASE (DECREASE) INCOME			1,245,619
16				
17	INCREASE (DECREASE) FIT @		35%	<u>(435,967)</u>
18				
19	INCREASE (DECREASE) NOI			<u>\$ (809,652)</u>

**PRODUCTION ADJUSTMENT
 FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2007
 GENERAL RATE INCREASE**

LINE NO.	DESCRIPTION	PROFORMA AND RESTATED	PRODUCTION 3.337%	FIT 35%
1	<u>O&M ON PRODUCTION PROPERTY</u>			
2	PRODUCTION WAGE INCREASE AND INCENTIVE:	\$ 77,323	(2,580)	903
3	PURCHASED POWER	477,212	(15,925)	5,574
5	TOTAL PRODUCTION WAGE INCREASE	554,535	(18,505)	6,477
6				
7	ADMIN & GENERAL EXPENSES			
8	PAYROLL OVERHEADS	2,726,252	(90,975)	31,841
9	PROPERTY INSURANCE	2,306,817	(76,978)	26,942
10	TOTAL ADMIN & GENERAL EXPENSES	5,033,069	(167,954)	58,784
11				
12	DEPRECIATION / AMORTIZATION:			
13	DEPRECIATION	54,357,691	(1,813,916)	462,126
14	AMORTIZATION (OTHER THAN REGULATORY ASSETS/LIAB)	5,068,666	(169,141)	56,572
15	TOTAL DEPRECIATION AND AMORTIZATION (FERC 403)	59,426,357	(1,983,057)	518,698
16	TAXES OTHER-PRODUCTION PROPERTY:			
17	PROPERTY TAXES - WASHINGTON	6,815,622	(227,437)	79,603
18	PROPERTY TAXES - MONTANA	7,713,984	(257,416)	90,095
19	ELECTRIC ENERGY TAX	1,654,454	(55,209)	19,323
20	PAYROLL TAXES	1,161,332	(38,754)	13,564
21	TOTAL TAXES OTHER	17,345,392	(578,816)	202,566
22				
23	<u>O&M ON REGULATORY ASSETS:</u>			
24	CABOT	\$		
25	TENASKA	31,942,000	(1,065,905)	373,067
26	BEP	3,526,620	(117,683)	41,189
27	WHITE RIVER PLANT COSTS	1,494,702	(49,878)	17,457
28	WHITE RIVER RELICENSING & CWIP			
29	CANWEST			
30	HOPKINS RIDGE PREPAID TRANSMISSION	2,034,455	(67,890)	23,761
31	HOPKINS RIDGE INFILL MITIGATION CREDIT	(1,451,500)	48,437	(16,953)
32	GOLDENDALE FIXED COST DEFERRAL (NEW)	4,162,154	(138,891)	48,612
33	TOTAL ADJUSTMENT TO O&M ON REGULATORY ASSETS	\$ 41,708,431	\$ (1,391,810)	\$ 487,133
34	INCREASE/(DECREASE) EXPENSE		(4,140,142)	
35	INCREASE/(DECREASE) FIT			1,273,677
36	INCREASE/(DECREASE) NOI			\$ 2,866,465
37				
38	<u>PRODUCTION PROPERTY RATE BASE:</u>			
39	DEPRECIABLE PRODUCTION PROPERTY	\$ 2,121,805,426	\$ (70,807,984)	
40	LESS PRODUCTION PROPERTY ACCUM DEPR.	(996,446,511)	33,251,420	
41	NON-DEPRECIABLE PRODUCTION PROPERTY	47,255,464	(1,576,915)	
42	LESS PRODUCTION PROPERTY ACCUM AMORT.	(3,875,130)	129,313	
43	COLSTRIP COMMON FERC ADJUSTMENT	6,100,301	(203,567)	
44	COLSTRIP DEFERRED DEPRECIATION FERC ADJ.	1,797,723	(59,990)	
45	ENCOGEN ACQUISITION ADJUSTMENT	41,341,033	(1,379,550)	
46	NET PRODUCTION PROPERTY	1,218,078,306	(40,647,273)	
47	DEDUCT:			
48	LIBR. DEPREC. PRE 1981 (AMA)	(372,848)	12,442	
49	LIBR. DEPREC. POST 1980 (AMA)	(143,794,887)	4,798,435	
50	OTHER DEF. TAXES (AMA)	(3,295,458)	109,969	
51	SUBTOTAL	(147,463,194)	4,920,846	
52				
53	ADJUSTMENT TO PRODUCTION RATE BASE	\$ 1,070,615,112	\$ (35,726,427)	\$ 1,034,888,687
54				
55	<u>REGULATORY ASSETS RATE BASE:</u>			
56	CABOT	21,125	(705)	
57	TENASKA	94,583,875	(3,156,264)	
58	BEP	19,809,943	(654,384)	
59	WHITE RIVER PLANT COSTS	33,499,702	(1,117,885)	
60	WHITE RIVER RELICENSING & CWIP	21,740,384	(725,477)	
61	CANWEST	(0)		
62	HOPKINS RIDGE PREPAID TRANSMISSION	4,614,747	(153,994)	
63	HOPKINS RIDGE INFILL MITIGATION CREDIT	(1,440,474)	48,069	
64	GOLDENDALE FIXED COST DEFERRAL (NEW)	6,763,253	(225,680)	
65				
66	ADJUSTMENT TO REGULATORY ASSETS RATE BASE	\$ 179,392,556	\$ (5,986,330)	\$ 173,406,226
67				
68	TOTAL ADJUSTMENT TO RATEBASE (LINE 56 + LINE 67)		\$ (41,712,757)	

**PUGET SOUND ENERGY-ELECTRIC
BILLING DISCOUNTS
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2007
GENERAL RATE INCREASE**

LINE NO.	DESCRIPTION	PRO FORMA ADJUSTMENT
1	<u>SALES TO CUSTOMERS:</u>	
2		
4	RESIDENTIAL	\$ 107,016
5		
6		<u>\$ 107,016</u>
7		
8	EXPENSES	
9		
10		
11	CUSTOMER ACCOUNTS	375
12		
13	GENERAL & ADMN	214
14		
15	TOTAL EXPENSES	<u>589</u>
16		
17		
18		
19	STATE EXCISE TAX	4,120
20		
21		
22		
23	INCREASE (DECREASE) FIT @	<u>35,807</u>
24		
25		
26		
27	INCREASE (DECREASE) NOI	\$ 66,500

**PUGET SOUND ENERGY-ELECTRIC
CRYSTAL MOUNTAIN DIESEL SPILL
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2007
GENERAL RATE INCREASE**

LINE NO.	DESCRIPTION	PRO FORMA ADJUSTMENT
1	<u>SALES TO CUSTOMERS:</u>	
2		
4	RESIDENTIAL	
5		
6		\$ _____
7		
8	EXPENSES	
9	MISC OTHER PWR PLANT	
10	EMP OTHER COSTS	(273,931)
11		
12		
13		
14		
15		
16		
17	GENERAL & ADMN	
18	LEGAL	(158,844)
19	INSURANCE DEDUCTIBLE	(2,000,000)
20		
21	TOTAL EXPENSES	(2,432,775)
22		
23		
24	STATE EXCISE TAX	
25		
26		
27		
28	INCREASE (DECREASE) FIT @ 35.00%	851,471
29		
30		
31		
32	INCREASE (DECREASE) NOI	1,581,304

**PUGET SOUND ENERGY-ELECTRIC
WORKING CAPITAL DISALLOWANCE
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2007
GENERAL RATE INCREASE**

LINE NO.	DESCRIPTION	ACTUAL PER COMPANY	STAFF ADJ	NET WORKING CAPITAL
1				
2				
4	INCREASE (DECREASE) NOI			
5				
6				
7				
8				
9				
10				
11	RATE BASE:			
12	RATE BASE:			
13	GROSS UTILITY PLANT IN SERVICE			
14	ACCUM DEPR AND AMORT			
15	DEFERRED DEBITS			
16	DEFERRED TAXES			
17	ALLOWANCE FOR WORKING CAPITAL	95,445,434	(93,766,423)	1,679,011
18	OTHER			
19	TOTAL RATE BASE			