

**EXHIBIT NO. \_\_\_(KRK-12)  
DOCKET NO. UE-072300/UG-072301  
2007 PSE GENERAL RATE CASE  
WITNESS: KARL R. KARZMAR**

**BEFORE THE  
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

**WASHINGTON UTILITIES AND  
TRANSPORTATION COMMISSION,**

**Complainant,**

**v.**

**PUGET SOUND ENERGY, INC.,**

**Respondent.**

**Docket No. UE-072300  
Docket No. UG-072301**

**FIRST EXHIBIT (NONCONFIDENTIAL) TO THE  
PREFILED REBUTTAL TESTIMONY OF  
KARL R. KARZMAR  
ON BEHALF OF PUGET SOUND ENERGY, INC.**

**JULY 3, 2008**

PUGET SOUND ENERGY  
INCOME STATEMENT  
For Twelve Months Ended September 30, 2005 and September 30, 2007

	per UG-060266, et. al (consolidated) Actual Results of Operation 9/30/05	Actual Results of Operation 9/30/07
	Total Gas	Total Gas
1 - OPERATING REVENUES:		
2 - SALES TO CUSTOMERS	\$ 829,271,796	\$ 1,169,255,872
3 - MUNICIPAL ADDITIONS	34,729,596	49,479,594
4 - OTHER OPERATING REVENUES	15,438,897	17,032,367
5 - TOTAL OPERATING REVENUES	\$ 879,440,289	\$ 1,235,767,832
6		
7		
8 - OPERATING REVENUE DEDUCTIONS:		
9		
10 - GAS COSTS:		
11		
12 - PURCHASED GAS	\$ 539,655,901	\$ 800,512,866
13		
14 - TOTAL PRODUCTION EXPENSES	\$ 539,655,901	\$ 800,512,866
15		
16 - OTHER ENERGY SUPPLY EXPENSES:	\$ 1,520,542	\$ 1,700,509
17 - TRANSMISSION EXPENSE	445,738	\$ 570,155
18 - DISTRIBUTION EXPENSE	33,307,919	\$ 40,817,492
19 - CUSTOMER ACCOUNT EXPENSES	22,239,694	\$ 25,226,971
20 - CUSTOMER SERVICE EXPENSES	3,914,552	\$ 4,652,566
21 - CONSERVATION AMORTIZATION	3,454,161	\$ 4,796,112
22 - ADMIN & GENERAL EXPENSE	36,522,434	\$ 38,296,979
23 - DEPRECIATION	64,997,955	\$ 72,897,010
24 - AMORTIZATION	11,302,712	\$ 14,088,267
25 - AMORTIZATION OF PROPERTY LOSS	3,287	\$ -
26 - OTHER OPERATING EXPENSES	150,234	\$ 511,054
27 - FAS 133	-	\$ -
28 - TAXES OTHER THAN F.I.T.	83,922,287	\$ 110,684,987
29 - FEDERAL INCOME TAXES	9,529,694	\$ 10,002,284
30 - DEFERRED INCOME TAXES	(4,023,283)	\$ 7,046,149
31 - TOTAL OPERATING REV. DEDUCT.	\$ 806,943,827	\$ 1,131,803,402
32		
33 - NET OPERATING INCOME	\$ 72,496,462	\$ 103,964,431
34		
35 - RATE BASE	\$ 1,179,240,567	\$ 1,351,400,166
36		
37		
38 - RATE OF RETURN	6.15%	7.69%

**PUGET SOUND ENERGY**  
**BALANCE SHEET**  
For Twelve Months Ended September 30, 2005 and September 30, 2007

FERC Account and Description	Sep-05	Sept-05 AMA	Sep-07	Sept-07 AMA
<b>*ASSETS</b>				
<b>**UTILITY PLANT</b>				
<b>***Electric Plant</b>				
101 Electric Plant in Service	\$ 4,295,972,429	4,235,903,978	\$ 5,502,952,632	5,230,171,776
101.1 Property Under Capital Leases		-	22,881,586.67	16,248,974
102 Electric Plant Purchased or Sold	(166,150)	266,084	-	(12,153,779)
105 Electric Plant Held for Future Use	8,909,173	7,635,309	8,480,844	8,390,149
107 Construction Work in Prog. - Electric	262,702,803	127,122,439	229,102,241	235,649,245
114 Electric Plant Acquisition Adjustments	77,871,127	77,871,127	77,871,127	77,871,127
***Total Electric Plant	4,645,289,382	4,448,798,938	\$ 5,841,288,432	5,556,177,493
<b>***Gas Plant</b>				
101 Gas Plant in Service	1,926,765,189	1,868,945,825	2,197,462,687	2,123,370,167
105 Gas Plant Held for Future Use	-	15824.1	64,439	64,439
107 Construction Work in Progress - Gas	35,484,339	34,793,773	66,853,572	55,369,822
114 Gas Plant Acquisition Adjustments		66,044	-	-
117.3 Gas Strd.in Resvr.& Pipln.-Noncurr.	4,556,642	4,360,662	6,137,783	5,771,153
***Total Gas Plant	1,966,806,170	1,908,182,128	2,270,518,482	2,184,575,581
<b>***Common Plant</b>				
101 Plant in Service - Common	423,225,932	396,488,550	474,791,599	450,069,920
107 Construction Work in Progress - Common	13,596,000	19,701,098	7,582,566	15,138,413
***Total Common Plant	436,821,932	416,189,648	482,374,164	465,208,333
<b>***Accumulated Depreciation and Amortization</b>				
108 Accumulated Provision for Depreciation	(2,504,629,086)	(2,434,402,866)	(2,938,265,383)	(2,787,864,516)
111 Accumulated Provision for Amortization	(169,801,059)	(157,066,794)	(227,326,793)	(208,076,914)
115 Acqm.Priv.for Amort.of Plant Acquis.Adj.	(32,146,752)	(30,867,846)	(37,526,552)	(36,181,602)
***Less: Accumulated Depr and Amortizat	(2,706,576,896)	(2,622,337,506)	(3,203,118,728)	(3,032,123,032)
<b>**NET UTILITY PLANT</b>	4,342,340,588	4,150,833,208	5,391,062,349	5,173,838,374
<b>**OTHER PROPERTY AND INVESTMENTS</b>				
<b>***Other Investments</b>				
121 Nonutility Property	2,942,778	2,724,697	3,138,905	3,044,867
122 Acqm.Prov.for Depr.& Amort.Non-utility P	(445,522)	(445,522)	(445,522)	(445,522)
123.1 Investment in Subsidiary Companies	66,938,108	79,810,248	65,544,371	62,632,927
124 Other Investments	51,441,439	49,444,226	60,599,235	57,663,645
***Total Other Investments	120,876,804	131,533,649	128,836,989	122,895,917
<b>**TOTAL OTHER PROPERTY AND INVESTMI</b>	120,876,804	131,533,649	128,836,989	122,895,917
<b>**CURRENT ASSETS</b>				
<b>***Cash</b>				
131 Cash	1,910,333	801,216	186,761	2,929,229
134 Other Special Deposits	2,141,605	2,643,466	2,476,813	2,149,990
135 Working Funds	1,840,306	2,200,170	2,370,320	2,513,265
136 Temporary Cash Investments	-	2,100,000	2,637,717	8,643,238
***Total Cash	5,892,244	7,744,852	7,671,611	16,235,722
<b>***Restricted Cash</b>	-	108,022	-	-
<b>***Total Restricted Cash</b>	-	108021.6	-	-
<b>***Accounts Receivable</b>				
141 Notes Receivable	564,598	417,703	3,173,323	2,453,009
142 Customer Accounts Receivable	88,132,197	201,161,737	131,595,865	199,013,378
143 Other Accounts Receivable	126,788,883	125,814,041	115,855,747	101,344,200
146 Accounts Receiv.from Assoc. Companies	26,651,600	20,992,395	298,072	274,461
171 Interest and Dividends Receivable	2,577	5,752	1,275	651
173 Accrued Utility Revenues	(1)	(235,381)	115,237,544	140,050,394
185 Temporary Facilities	(180,387)	(198,816)	(436,423)	(339,476)
191 Unrecovered Purchased Gas Costs	37,507,567	24,485,958	(61,157,957)	(141,199)
***Total Accounts Receivable	279,467,034	372,443,388	304,567,445	442,655,417

<b>FERC Account and Description</b>	<b>Sep-05</b>	<b>Sept-05 AMA</b>	<b>Sep-07</b>	<b>Sept-07 AMA</b>
***Allowance for Doubtful Accounts				
144 Accum.Prov.for Uncollectible Accts-Credit	(42,557,426)	(42,166,119)	(1,811,378)	(1,385,116)
***Less: Allowance for Doubtful Accounts	(42,557,426)	(42,166,119)	(1,811,378)	(1,385,116)
***Materials and Supplies				
151 Fuel Stock	8,118,222	9,094,124	7,265,263	7,730,850
154 Plant Materials and Operating Supplies	32,018,969	30,503,264	58,567,811	49,269,603
163 Stores Expense Undistributed	1,912,566	2,140,811	2,631,440	2,273,435
164.1 Gas Stored - Current	86,379,589	55,131,465	108,863,763	87,647,515
164.2 Liquefied Natural Gas Stored	597,928	604,487	667,967	653,880
***Total Materials and Supplies	129,027,274	97,474,151	177,996,244	147,575,283
***Unrealized Gain-Derivative Instrumnts (ST)				
175 Invest in Derivative Instrumnts -Opt ST	18,082,080	2,630,622	231,815	405,473
176 Invest in Derivative Instrumnts-Gain ST	185,337,284	39,991,473	12,291,619	20,560,916
***Unrealized Gain on Derivatives (ST)	203,419,364	42,622,095	12,523,434	20,966,389
***Prepayments and Other Current Assets				
165 Prepayments	16,967,987	10,407,711	8,227,582	9,045,343
174 Misc.Current and Accrued Assets	15,526,453	3,180,359	16,292,762	3,894,022
186 Miscellaneous Deferred Debits	510,145	313,820	10,132	6,475
***Total Prepayments & Othr.Curr.Assets	33,004,585	13,901,890	24,530,476	12,945,840
Current Deferred Taxes				
Total Current Deferred Taxes	(22,592,354)	(2,643,756)	6,049,009	1,508,162
***TOTAL CURRENT ASSETS	585,660,721	489,484,522	531,526,842	640,501,697
**LONG-TERM ASSETS				
165 Long-Term Prepaid	-	-	5,000,000	2,708,333
176 Invest in Derivative Instrumnts-Gain LT	38,955,721	21,446,418	31,891	5,116,921
181 Unamortized Debt Expense	24,473,020	24,472,676	25,796,188	23,804,487
182.1 Extraordinary Property Losses	16,497,050	19,565,757	115,279,883	94,478,118
182.2 Unrecovered Plant & Reg Study Costs	45,400,600	46,169,680	42,238,442	43,007,057
Subtotal WUTC AFUDC	-	-	35,305,284	7,296,300
182.3 Other Regulatory Assets	477,876,891	491,014,550	512,210,531	526,016,855
183 Prelm. Survey and Investigation Charges	657,177	641,453	814,255	713,292
184 Clearing Accounts	1,886,631	934,877	(3,097,511)	(142,202)
186 Miscellaneous Deferred Debits	(2,816,542)	126,361,380	179,141,202	196,904,896
187 Def.Losses from Dispos.of Utility Plant	2,796,629	2,162,682	1,848,080	2,222,956
189 Unamortized Loss on Reacquired Debt	17,600,128	14,737,503	22,317,897	21,547,656
***TOTAL LONG-TERM ASSETS	623,327,305	747,506,976	936,886,141	923,674,670
**TOTAL ASSETS	<b>\$ 5,672,205,418</b>	<b>5,519,358,355</b>	<b>\$ 6,988,312,322</b>	<b>\$ 6,860,910,658</b>
**CAPITALIZATION AND LIABILITIES				
***CURRENT LIABILITIES				
230 Asset Retirement Obligations	-	-	(2,305,000)	(2,120,268)
244 FAS 133 Opt Unrealized Loss ST	(5,278,067)	(723,077)	(904,104)	(487,493)
245 FAS 133 Unrealized Loss ST	(9,365,369)	(11,817,915)	(55,764,225)	(49,489,912)
231 Notes Payable	(223,871,000)	(91,463,792)	(378,039,000)	(348,099,458)
232 Accounts Payable	(226,751,266)	(197,275,334)	(256,108,243)	(272,714,603)
233 Notes Payable to Associated Companies		-1250	(24,282,078)	(24,305,264)
234 Accounts Payable to Asscted Companies	(3,367,021)	(3,282,266)	(1,113,828)	(1,511,318)
235 Customer Deposits	(15,377,914)	(14,246,647)	(21,683,576)	(19,963,145)
236 Taxes Accrued	(80,851,228)	(95,400,139)	(24,562,129)	(55,640,970)
237 Interest Accrued	(42,900,750)	(37,674,520)	(57,279,930)	(51,848,432)
241 Tax Collections Payable	(773,627)	(577,538)	(47,786)	(2,573,954)
242 Misc. Current and Accrued Liabilities	(8,997,352)	(9,413,066)	(11,869,671)	(10,610,561)
243 Obligations Under Cap.Leases - Current		-	(83,855)	(956,772)
***TOTAL CURRENT LIABILITIES	(617,533,595)	(461,875,542)	(834,043,427)	(840,322,150)
**DEFERRED TAXES				
***Reg. Liability for Def.Income Tax				
253 Other Deferred Credits	(100,000)	(100,000)	(100,000)	(100,000)
283 Accum.Deferred Income Taxes - Other	(109,735,689)	(115,290,231)	(81,260,689)	(87,284,814)
***Total Reg.Liab.for Def.Income Tax	(109,835,689)	(115,390,231)	(81,360,689)	(87,384,814)

<b>FERC Account and Description</b>	<b>Sep-05</b>	<b>Sept-05 AMA</b>	<b>Sep-07</b>	<b>Sept-07 AMA</b>
***Deferred Income Tax				
190 Accum.Deferred Income Taxes	116,774,931	89,003,020	159,193,686	141,196,858
255 Accum.Deferred Investment Tax Credits	(2,378,606)	(2,656,573)	(1,438,711)	(1,600,609)
282 Accum. Def. Income Taxes - Other Prop.	(594,828,666)	(616,574,132)	(665,689,824)	(630,981,943)
283 Accum.Deferred Income Taxes - Other	(167,534,265)	(147,893,441)	(188,205,090)	(175,963,766)
***Total Deferred Income Tax	(647,966,606)	(678,121,126)	(696,139,938)	(667,349,460)
<b>**TOTAL DEFERRED TAXES</b>	<b>(757,802,295)</b>	<b>(793,511,357)</b>	<b>(777,500,627)</b>	<b>(754,734,274)</b>
***OTHER DEFERRED CREDITS				
254 Subtotal Tenaska Disallowance Reserve	-	(266,013)	-	-
Subtotal 227 Oblig Under Cap Lease - Noncurr	-	-	(22,825,683)	(19,163,192)
245 Subtotal SFAS 133 Unrealized Long Term Loss	-	(83,028)	(9,064,762)	(974,992)
228.2 Accum. Prov.for Injuries and Damages	(2,041,400)	(1,434,576)	(500,000)	(1,028,553)
228.4 Accum. Misc.Operating Provisions	(32,457,155)	(33,941,182)	(34,083,640)	(34,626,289)
230 Asset Retirement Obligations (FAS 143)	(5,873,877)	(4,613,590)	(26,055,931)	(26,339,915)
252 Customer Advances for Construction	(67,366,000)	(60,499,087)	(96,217,305)	(84,467,595)
253 Other Deferred Credits	(173,619,294)	(132,230,012)	(135,657,554)	(132,890,830)
254 Other Regulatory Liabilities	(20,721,266)	(16,865,202)	(52,009,730)	(57,128,085)
256 Def. Gains from Dispos.of Utility Plt	(3,370,970)	(4,006,630)	(2,587,533)	(2,786,328)
257 Unamortized Gain on Reacquired Debt	(645,319)	(834,582)	(403,324)	(463,823)
***TOTAL OTHER DEFERRED CREDITS	(306,095,280)	(254,773,902)	(379,405,462)	(359,869,600)
***CAPITALIZATION				
***SHAREHOLDER'S EQUITY				
****Common Equity				
201 Common Stock Issued	(859,037,900)	(859,037,900)	(859,037,900)	(859,037,900)
207 Premium on Capital Stock	(478,145,250)	(478,145,250)	(478,145,250)	(478,145,250)
210 Gain on Resale/Cancel.of Reacq.Cap.Stk	(338)	(338)	(338)	(338)
211 Miscellaneous Paid-in Capital	(144,203,113)	(141,862,652)	(530,525,795)	(526,972,260)
214 Capital Stock Expense	9,579,321	9,579,321	7,133,879	7,133,879
215 Appropriated Retained Earnings	(7,019,063)	(6,921,296)	(7,823,240)	(7,738,630)
216 Unappropriated Retained Earnings	(155,369,073)	(129,260,868)	(275,841,204)	(258,643,671)
216.1 Unappr.Undistrib.Subsidiary Earnings	23,710,341	8,731,320	20,459,999	22,706,936
219 Other Comprehensive Income	(2,857,511)	13,134,604	36,711,276	23,403,480
433 Balance Transferred from Income	(90,517,277)	(80,677,567)	(129,180,705)	(110,478,472)
438 Dividends Declared - Common Stock	67,085,014	48,259,826	79,135,870	58,359,909
****Total Common Equity	(1,636,774,849)	(1,616,200,800)	(2,137,113,406)	(2,129,412,317)
***TOTAL SHAREHOLDER'S EQUITY	(1,636,774,849)	(1,616,200,800)	(2,137,113,406)	(2,129,412,317)
***REDEEMABLE SECURITIES AND LONG-TERM DEBT				
****Preferred Stock - Manditorily Redeemable	(1,889,400)	(1,889,400)	(1,889,400)	(1,889,400)
****Total Preferred Stock - Mand Redeem	(1,889,400)	(1,889,400)	(1,889,400)	(1,889,400)
****Corporation Obligated, Mand Redeemable				
Preferred Stock Subscribed	(237,750,000)	(267,854,167)	-	(26,739,583)
****Corporation Obligated, Mand Redeem	(237,750,000)	(267,854,167)	-	(26,739,583)
****Long-term Debt				
221 Bonds	(2,114,360,000)	(2,123,253,389)	(2,858,360,000)	(2,747,943,333)
226 Unamort.Disc. on Long-term Debt-Debit		201.3	-	-
Long-term Debt	(2,114,360,000)	(2,123,253,188)	(2,858,360,000)	(2,747,943,333)
****Long-term Debt	(2,114,360,000)	(2,123,253,188)	(2,858,360,000)	(2,747,943,333)
***REDEEMABLE SECURITIES AND LTD	(2,353,999,400)	(2,392,996,755)	(2,860,249,400)	(2,776,572,317)
<b>**TOTAL CAPITALIZATION</b>	<b>(3,990,774,249)</b>	<b>(4,009,197,555)</b>	<b>(4,997,362,806)</b>	<b>(4,905,984,634)</b>
<b>*TOTAL CAPITALIZATION AND LIABILITIES</b>	<b>\$ (5,672,205,418)</b>	<b>(5,519,358,355)</b>	<b>\$ (6,988,312,322)</b>	<b>\$ (6,860,910,658)</b>

Certain amounts previously reported have been reclassified to conform with current year presentations with no effect on total equity.

**Puget Sound Energy**  
**Gas Rate Base**  
**As of September 30, 2007**

Electric	65.15%
Gas	34.85%

Line No.	Description	AMA 09/30/07
<b>Allocation Method</b>		
1	Gas Utility Plant in Service	2,116,290,472
2	Common Plant-Allocation to Gas	152,340,168
3	Gas Stored Underground - Non current	5,771,153
4	Total Plant in Service and Other Assets	<u>2,274,401,793</u>
5	Accumulated Provision for Depreciation	(678,449,153)
7	Common Accumulated Depreciation-Allocation to Gas	(76,298,556)
8	Customer Advances for Construction	(24,086,431)
9	Contributions in Aid of Construction - Accum. Def. FIT.	2,648,375
10	Liberalized Depreciation Total Accum. Def. FIT - Liberaliz	<u>(183,897,558)</u>
11	Accumulated Depreciation and Other Liabilities	(960,083,323)
12	Net Operating Investment	<u>1,314,318,470</u>
13	Allowance for Working Capital	<u><b>37,506,872</b></u>
14	Total Gas Rate Base	<u><u><b>1,351,825,342</b></u></u>

*(Note) Amounts presented in bold italic type have changed since the April 14, 2008 supplemental filing.*

**Puget Sound Energy**  
**Combined Working Capital**  
**For the Twelve Month Period Ended September 30, 2007**

	Allocation factor	
Electric	65.15%	
Gas	34.85%	
	Tax factor	

  

<b>Line No.</b>	<b>Description</b>	<b>30-Sep-07 AMA</b>
1	<b>Average Invested Capital</b>	
2	Common Stock	859,037,900
3	Preferred Stock	-
4	Additional Paid in Capital	995,544,310
5	Unamortized Debt Expense	(23,804,661)
6	Unappropriated Retained Earnings	293,009,869
7	Notes Payable - Misc	-
8	Long Term Debt	2,776,572,317
9	Short Term Debt	372,404,722
10	Accumulated Deferred ITC	1,600,609
11	Deferred Debits-Other	(112,522)
12	Unamortized Gain/Loss on Debt	(21,083,833)
13		
14	Total Average Invested Capital	<u>5,253,168,711</u>
15		
16	<b>Average Operating Investments - Electric</b>	
17		
18	Plant in Service (includes acquisition adj)	5,270,787,795
19	Electric Future Use Property	8,390,149
20	Customer Advances for Construction	(60,361,006)
21	Customer Deposits	(13,420,983)
22	Deferred Taxes	(415,755,482)
23	Deferred Debits - Other	424,915,072
24	Less: Accumulated Depreciation	(2,132,335,965)
25	Conservation Investment	577
26	Common Plant-Allocation to Electric	284,766,302
27	Common Accum Depr-Allocation to Electric	(142,643,146)
28	Common Deferred Taxes-Allocation to Electric	(19,173,920)
29		
30	Total Average Operating Investment - Electric	<u>3,205,169,393</u>
31		
32	<b>Average Operating Investments - Gas</b>	
33		
34	Gas Utility Plant in Service	2,116,290,472
35	Deferred Items - Other	2,141,680
36	Gas Stored Underground, Non-Current	5,771,153
37	Gas Accumulated Depreciation	(678,449,153)
38	Gas Customer Advances for Construction	(24,206,589)
39	DFIT 17	(178,466,691)
40	PGA	(141,199)
41	Common Plant-Allocation to Gas	152,327,024
42	Common Deferred Tax	(10,256,502)
43	Common Accumulated Depreciation-Allocation to Gas	(76,302,588)
44		
45	Total Average Operating Investment - Gas	<u>1,308,707,607</u>
46		
47	Total Electric & Gas Operating Investment	<u><u>4,513,877,000</u></u>
48		
49	<b>Nonoperating</b>	
50		
51	Elec Construction Work in Process	247,576,628
52	Gas Construction Work in Process	60,645,559
53	Other Work in Process - Electric	2,060,652
54	Non-Utility Property	1,872,803

**(Note) Amounts presented in bold italic type have changed since the April 14, 2008 supplemental filing.**

**Puget Sound Energy**  
**Combined Working Capital**  
**For the Twelve Month Period Ended September 30, 2007**

Electric	Allocation factor	65.15%
Gas		34.85%
	Tax factor	

30-Sep-07

Line No.	Description	AMA
55	Investment in Associated Companies	415,030,525
56	Other Investments & FAS 133	(264,056,091)
57	Deferred Items-Other	278,700,061
58	Deferred Federal Income Tax	(90,520,232)
59	Temporary Cash Investments	8,643,238
60	Electric Preliminary Surveys	713,292
61	Environmental Receivables	(66,259,121)
62	Current Accounts - Gas Allocation only	135,655
63	Merchandising Inventory - Gas Only	79,890
64	Rounding	1
65		<u>594,622,860</u>
66	Total Average Investments	<u>5,108,499,860</u>
67	Rounding	
68	Total Investor Supplied Capital	<b>144,668,851</b>
69		

**Allocation of Working Capital**

<b>Electric Working Capital</b>		
Electric Investment		5,108,499,860
Less: Electric CWIP		(247,576,628)
Interest Bearing Regulatory Assets		
Other Work in Progress - Electric		(2,060,652)
Preliminary Surveys		<u>(713,292)</u>
Total		4,858,149,288
Electric Working Capital Ratio		2.9779% (144,668,851 / 4,858,149,288)
Electric Working Capital		<b>95,445,435</b> (0.029779* 3,205,169,393)

<b>Gas Working Capital</b>		
<b>Gas Investment</b>		<b>5,108,499,860</b>
<b>Less: Gas CWIP</b>		<b>(60,645,559)</b>
Total		<u>5,047,854,301</u>
Gas Working Capital Ratio		2.8659% (144,668,851 / 5,047,854,301)
Gas Working Capital		<b>37,506,872</b> (0.0287* 1,308,707,607)

**Non Operating Working Capital** **11,716,544** (144,668,851- 95,445,435-37,506,872)

(Note) Amounts presented in bold italic type have changed since the April 14, 2008 supplemental filing.



**PUGET SOUND ENERGY-ELECTRIC & GAS**  
**GENERAL RATE INCREASE**  
**FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2007**  
**ALLOCATION METHODS**

<b>Method</b>	<b>Description</b>		<b>Electric</b>	<b>Gas</b>	<b>Total</b>
<b>1</b>	<b>* <u>12 Month Average Number of Customers</u></b>	9/30/2007	1,044,122	717,748	1,761,870
	Percent		<b>59.26%</b>	<b>40.74%</b>	100.00%
<b>2</b>	<b>* <u>Joint Meter Reading Customers</u></b>	9/30/2007	677,599	388,878	1,066,477
	Percent		<b>63.54%</b>	<b>36.46%</b>	100.00%
<b>3</b>	<b>* <u>Non-Production Plant</u></b>				
	Distribution	9/30/2007	\$ 2,985,615,898	\$ 2,082,649,090	\$ 5,068,264,988
	Transmission	9/30/2007	334,914,994	-	334,914,994
	Direct General Plant	9/30/2007	136,001,859	47,962,816	183,964,675
	Total		<b>\$ 3,456,532,750</b>	<b>\$ 2,130,611,906</b>	<b>\$ 5,587,144,657</b>
	Percent		<b>61.87%</b>	<b>38.13%</b>	100.00%
<b>4</b>	<b>* <u>4-Factor Allocator</u></b>				
	Number of Customers	9/30/2007	1,044,122	717,748	1,761,870
	Percent		59.26%	40.74%	100.00%
	Labor - Direct Charge to O&M	9/30/2007	\$ 32,087,809	\$ 18,291,655	\$ 50,379,464
	Percent		63.69%	36.31%	100.00%
	T&D O&M Expense (Less Labor)	9/30/2007	\$ 54,677,905	\$ 24,138,142	\$ 78,816,047
	Percent		69.37%	30.63%	100.00%
	Net Classified Plant (Excluding General Pl	9/30/2007	\$ 3,081,380,454	\$ 1,430,806,099	\$ 4,512,186,552
	Percent		68.29%	31.71%	100.00%
	Total Percentages		260.62%	139.38%	400.00%
	Percent		<b>65.15%</b>	<b>34.85%</b>	100.00%
<b>5</b>	<b>* <u>Labor</u></b>				
	Benefit Assessment Distribution	9/30/2007	\$ 11,657,409	\$ 6,827,908	\$ 18,485,317
	Total		<b>\$ 11,657,409</b>	<b>\$ 6,827,908</b>	<b>\$ 18,485,317</b>
	Percent		<b>63.06%</b>	<b>36.94%</b>	100.00%

Account	Co. Code	Account Description	AMA (Sep 07)
13100033		Cash - Seafirst - Check Clearing Account	-
13100053		Cash - First Union - PSE A/P C/D - 1069509	-
13100143		Cash - Wells Fargo - WNG CBR - 4159652569	-
13100153		Cash - Seafirst - PSPL Non-CLIP - Clsd 10/97	-
13100293		Cash - Seafirst - WNG Disburse - 158	-
13100300	1020	Cash - PE Key Bank 7738	833,333
13100353		Cash-Key Bank-Flexben-6467	-
13100543		Cash - State Bank - Concrete	196,338
13100563		US Bank - General Account 1775586	1,095,662
13100573		US Bank - Damage Claims 1771847	(748,905)
13100583		Cash - Bank of Amer - Cr Bal Refnd - 32	-
13100771		Conservation Trust Restricted Cash	-
13100783		Cash - BofA - Credit Card Payments-3751	-
13101003		Cash-UBOC-Payment Processing Bothell 44	9,880,876
13101013		Cash-UBOC-Bill Payment Consolidator 443	(484)
13101023		Cash-Key Bank-Concentration 47968102460	2,550,917
13101033		Cash-Key Bank-PSE Receipts 479681024614	1,176,674
13101043		Cash-Key Bank-Direct Debit Deposit AFT4	-
13101063		Cash-Key Bank-Baker Recreation 47968102	1,205
13101073		Cash-Key Bank-Internet Receipts Bill479	0
13101083		Cash-Key Bank-Credit Card Receipts 4796	(3,611)
13101093		Cash-Key Bank-Payroll 190994701174	(576,650)
13101103		Cash-Key Bank-Credit Balance Refund 190	-
13101113		Cash-Key Bank-Accounts Payable 19099470	(11,262,709)
13101123		Cash-Key Bank- SAP Credit Balance Refun	(879,022)
13101133		Cash-Key Bank- Checkfree	-
13101143		Cash-Citibank-Direct Debit Deposit AFT	408,263
13101153		Cash - Citibank E-Payment	402
13108123		First Un - Clearing A/P Disb.	-
13108243		Cash - Bank of America - A/P Disbursement	-
13109993		CLX Cash Clearing	256,946
13400011		Other Special Deposits	8,663
13400012		Other Special Deposits - Gas	2,083
13400021		PSE Merchant Deposit - Transmission	424,997
13400031		PSE Transmission Contra - Merchant Deposit	(424,997)
13400041		BPA Cross-Cascades Transmission Request	35,467
13400051		BPA Fredrickson 1 Transmission Request	-
13400061		BPA Hopkins Ridge Transmission Request	2,314
13400071		BPA Linden Transmission Request Deposit	8,512
13400063		Other Special Deposits	1,396
13400073		PSE Ben Protect Trust-Bank of NY Money	2,018,587
13400081		BPA Saddleback Transmission Request Deposit	3,800
13400083		Payroll - Health / Dependent Spending Deposit	37,826
13400093		Health / Dependent Spending Deposit - Year 2	31,342
13500003		Petty Cash	91,537
13500041		Freddie #1 Operating Advance	224,665
13500051		Colstrip 500KV Transmission O&M Operati	73,353
13500061		Colstrip 1&2 Operating Advance	1,160,548
13500071		Colstrip 3&4 Operating Advance	892,821
13500073		Stock Exch Fractional Shares	-
13500081		Credit Balance Refunds	-

13500142	Refunds - SeaFirst #68523505	-
13500153	Workers Comp - ESIS Working Fund	67,655
13500163	Working Fund - Baker Lodge	-
13500172	Northwest Permits Operating Advance- Gas	-
13500173	RW (Right of Way) Easements & Permits	2,686
13501001	Working Fund - Agent (Encogen)	-
14200003	Customer Accounts Receivable	(346,386)
14200011	Elec/Cust Accounts Receivable CLX	128,150,070
14200012	Gas - Cust Accts Rec - Unprocessed Rece	12,188
14200052	Gas- Cust Accounts Receivable CLX	89,399,875
14209993	Cust Accounts Receivable Clearing - CLX	(17,024,267)
14300003	Accts Rec - Misc -401k forfeiture accou	7,812
14300062	Gas Off System Sales - Other Accts Rec	25,973,746
14300072	Jackson Prairie / NW Pipeline - Other A/R	576,946
14300082	Jackson Prairie / WWP - Other A/R	546,032
14300141	Power Sales - Other Accts Rec	14,364,209
14300151	Transmission - Other Accts Rec	914,960
14300171	BPA Residential Exchange - Other Accts Rec	6,727,673
14300211	A/R - Crystal Mountain Insurance Receivable	8,859,284
14300213	Other Accts Rec - Misc	4,137
14300323	Emp Rec / Payroll Advances & Misc - OARM	130
14300333	Loans - Exit Payback - Other Accts Rec	207,500
14300353	A/R - Damage Claims - CLX	4,067,197
14300363	A/R - Energy Diversion - CLX	31,510
14300373	A/R - Vandalism - CLX	-
14300383	A/R - Subsidiaries - CLX	58,427
14300393	A/R - Miscellaneous - CLX	9,712,822
14300411	Electric - Water Heater Financing - Oth	-
14300441	Whitehorn Unit 2 Reimbursable Repair Co	1,918,912
14300451	A/R - Goldendale Insurance Receivable	418,750
14300523	A/R-Mellon Investor Services	2,387
14300533	A/R-Treble Damages	527,555
14300603	A/R - Merchandise - CLX	-
14300613	A/R CARS Conversion - CLX	-
14300623	A/R - Damage Claim Conversion - CLX	14,099
14300701	A/R - Powerex Power Exchange	416,520
14300901	A/R - Refundable Federal Fuel Tax	465,002
14301001	A/R - Encogen (GP)	-
14301003	Account Receivable Reconciliation Accou	-
14301022	Refundable GST on PSE Gas Purchase	3,768,704
14400011	Electric APUA - Customer Accts Receivab	(801,619)
14400032	Gas - APUA - Customer Accts Receivable	(487,786)
14400071	APUA - Electric Counterparties	(158,521)
14400213	APUA - Damage Claims - CLX	(609,495)
14400223	APUA - Energy Diversion - CLX	2,378
14400233	APUA - Vandalism - CLX	-
14400253	APUA - Miscellaneous - CLX	19,379
14400263	APUA - Merchandise - CLX	-
14400273	APUA - CARS Conversion-CLX	-
14400293	APUA-Treble Damages	(527,555)
15100021	Fuel Stock - Colstrip 1&2	1,089,610
15100031	Fuel Stock - Colstrip 3&4	1,299,972

15100041	Fuel Stock - Colstrip 3&4 Fuel	285,550
15100061	Fuel Stock - Crystal Mountain	33,523
15100081	Fuel Stock - Whitehorn #1	925,602
15100091	Fuel Stock - Frederickson #1	737,852
15100101	Fuel Stock - Fredonia 1&2	1,026,070
15100121	Fuel Stock - Frederickson #1	(369)
15100122	Fuel Stock - Propane SWARR Station	295,023
15100151	Fuel Stock - Whitehorn Non-Core Gas Inv	5,984
15100161	Fuel Stock - Frederickson Non-Core Gas	(501)
15100171	Fuel Stock - Fredonia Non-Core Gas Inve	(361)
15100181	Fuel Stock - Colstrip 1&2 Propane	151,830
15100201	Fuel Stock - Tenaska - Oil	1,317,600
15100211	Fuel Stock - Pooled CT Non-Core Gas Inv	89,375
15101001	Fuel Stock - Encogen Oil	-
15101011	Fuel Stock - Encogen Natural Gas	-
15111001	Fuel Stock - Encogen Oil	470,987
15111011	Fuel Stock - Encogen Natural Gas	3,103
15400023	Inventory - Pre-Capitalized Material	9,230,471
15400031	Plant Materials - Colstrip 1 & 2	3,271,505
15400033	Inventory Reserve Account - Pre-Capitalized M	(9,230,363)
15400041	Plant Materials - Colstrip 3 & 4	2,518,649
15400061	Encogen Storeroom	1,457,422
15400071	Hopkins Ridge Storeroom	72,776
15400081	Wild Horse Wind Farm Storeroom	85,667
15400101	Electric - Plant Material & Supplies	29,303,970
15400102	Gas - Plant Material & Supplies	7,163,573
15400103	Plant Material & Supplies	3,114,340
15400111	Inventory - Fredonia	182,698
15400121	Inventory - Fredrickson	1,079,147
15400131	Inventory - Whitehorn	188,678
15400141	Inventory - Goldendale	577,069
15400201	CT Site Inventories	254,000
16300023	Undistributed Stores Expense	1,794,930
16300063	Undistributed Substation Equipment Stor	478,505
16300073	Undistributed Communications Equip Stor	-
16300083	Undistributed Intolight Stores Expense	-
16410002	SGS-1 Gas Stored Underground	29,617,682
16410012	SGS-2 Gas Stored Underground	6,589,180
16410022	Clay Basin Gas Storage - 00925	45,144,930
16410042	AECO - Gas Stored Underground	6,295,723
16420002	Liquefied Natural Gas Stored	576,201
16420012	LNG - Gig Harbor	77,679
16500002	Gas - Prepaid Insurance	14,312
16500013	Prepmts - Puget Auto / General Liability	1,014,718
16500011	Prepmts - Tucannon	-
16500021	Prepmts - WIES - Blackout / Brownout	32,426
16500031	Prepmts - BPA Reconductor Agreement	-
16500033	Prepmts - Puget Crime Insurance	10,706
16500043	Prepmts - Puget Dir & Officers Liab Ins	934,353
16500051	Prepmts - BC Auto Liability	23,230
16500063	Prepmts - Puget Workman's Comp - Aegis	80,966
16500073	Prepmts - Workman Comp / Letters of Credit	44,667

16500083	Prepmts - All Risk Property Insurance	837,416
16500093	Prepmts - King Air Aircraft Insurance	11,148
16500103	Prepmts - M&M Consulting Fee	32,083
16500113	Prepmts - Pollution Control Bond	166,918
16500123	Prepaid- Transmission software	265,493
16500241	Prepayments - Hopkins Ridge Prop Insurance	-
16500253	Prepmts - Misc - Prepaid Insurance	12,176
16500263	Prepmts - Payroll Taxes	-
16500282	Prepaid Stanfield Meter Station Upgrade	-
16500283	Prepaid SAP Support	474,539
16500313	Prepayments - Misc Employee Benefits	224,602
16500333	Prepmts - Heavy Vehicle Licenses	1,554
16500341	Prepmts - License Fee - Users of Water	-
16500343	Prepmts - 3 yr. Websense License	15,364
16500361	Prepmts - Electric - Municipal Taxes	1,042
16500373	Prepmts - Interest	778,681
16500383	Microsoft Maintenance Contract	27,154
16500393	Prepmts - State Street Cond Trustee Fee	-
16500401	Prepmts - FERC License Fee - Lower Baker	48,536
16500411	Prepmts - FERC License Fee - Upper Baker	48,536
16500461	Prepmts - SCL - Bothell	105,553
16500471	Prepaid Sales Tax - Fredonia CT 3 & 4	2,324,434
16500501	Unamortized Premiums Paid on Unexpired Option	-
16500551	Prepaid Exp - Hopkins Ridge Interconnec	-
16500553	Prepaid- Miscellaneous	347,093
16500563	Prepayments - Licensing Fees (Vehicles)	101,186
16500573	Prepaid insurance - Liab - Navy Contrac	25,393
16500581	Caminus Aces Prepaid Maintenance (elect	27,177
16500582	Caminus GMS Prepaid Maintenance (gas)	17,165
16500611	Prepaid Edison Electric Institute dues	222,160
16500612	Prepaid American Gas Association Dues	148,338
16500622	Prepaid NW Gas Association Dues	13,461
16500623	Prepaid Subscrptns	14,876
16500633	Prepaid -2007 CISCO Smartnet (Dimension	104,432
16500641	Prepaid Rent for Skagit Svc Ctr	24,086
16500713	Prepaid KWI Maintenance	114,165
16501003	Advance/Down Payments	57,786
16501011	Wildhorse Prepaid O&M to Vestas	290,284
16501013	Prepaid - Future Year Expenses	7,134
16599011	Prepaid Colstrip 1&2 WECOA Coal Resv Ded.	2,708,333
17300001	Electric - Accrued Utility Revenue	82,927,420
17300002	Gas - Unbilled Revenue	56,318,935
17300011	Electric-Accrued Utility Revenue-Transp	804,039
17400001	Energy Storage	3,894,022
18210051	12/26/96 Snow / Ice Storm - Extr Prpty Loss	-
18210171	11/23/98 Storm Damage - Catastrophic	-
18210181	1/16/00 Windstorm - Extr Property Loss	-
18210191	12/4/03 Wind Storm - Extr Property Los	8,084,555
18210201	2006 Storm Excess Costs	85,995,205
18210211	2007 Storm Excess Costs	398,359
18230131	Electric - SFAS106 Post Ret Bene - Reg Asset	1,276,556
18230181	Conservation Trust Asset	-

18230241	Electric - Retail Wheeling Pilot - Reg. Assets	-
18230311	Env Rem - UG Tank - Whidbey Is. (Future	15,000
18230321	Env Rem - UG Tank - Tenino (Future Cost	52,472
18230331	Env Rem - UG Tank - White River (Future	-
18230471	Residential Exchange Carrying Costs UE-	118,146
18230921	Virtual Right of Way	18,649,747
18232221	Env Rem - Buckely Headworks Site Est Fu	978,826
18232241	Buckley Headworks Remediation Costs	-
18232251	Buckley Ph II Burn Pile & Wood Debris E	531,808
18232271	Env Rem - Duwamish River Site (former G	56,801
18232281	Env Rem - Olympia Svc Capacitor Site	-
18232291	Env Rem - Bellevue G.O.UST Site Est Fut	-
18233051	Env Rem - UG Tank -Baker Lodge	-
18233061	Env Rem - UG Tank -Poulsbo Service Cent	10,000
18233071	Env Rem - UG Tank - Kent Fleet	-
18233081	Env Rem-Olympia SVC Capacitor Site Futu	-
18233091	Tenino Service Center - UG Tank - Env	22,528
18233101	Env. Rem. - Bremerton UST Def Site	33,851
18233121	Env Rem - UG Tank - Bremerton ( Future C	28,418
18238011	Power Cost Only Ratecase Proceeding Costs	-
18238021	Contra Power Cost Only Ratecase Proceeding Costs	-
18239001	Low Income Grants - Electric	20,175,187
18239002	Low Income Grants - Gas	7,305,663
18239011	PSE Low Income Program Costs - Electric	765,818
18239012	PSE Low Income Program Costs - Gas	381,469
18239021	Low Income Agency Admin Fees - Electric	4,601,406
18239022	Low Income Agency Admin Fees - Gas	2,269,038
18239031	Contra Low Income Program - Electric	(25,542,411)
18239032	Contra Low Income Program - Gas	(9,956,171)
18239041	Conservation & Renewable Discount Progr	14,767,136
18239051	BPA Reimbursement of C&R Costs - Electr	(14,541,959)
18400013	Land Transportation Clearing	(549,676)
18400123	Employee Related Taxes Clearing	160,925
18400143	Employee Benefits Clearing	(378,300)
18400153	Accounts Payable Suspense	-
18400223	Master Card Central Billing - Clearing	-
18400483	Employee Incentive Plan Clearing	631,723
18400703	CLX Other Miscellaneous Credits	-
18401013	CLX Balance Transfer	-
18401023	CLX Bank Credit Adjustments	17
18401033	Credit Balance Refund Clearing	(6,891)
18401063	CLX - Account Credit Adj for Rule 7	-
18600053	ZCLM Damage Claim Orders	999,283
18600161	Advance Pmt Montana Firm Contract - Misc Def	191,333
18600441	Real Estate Brokerage Fee	131,770
18700001	Electric - Def Losses fr Disposition of Utili	468,696
18700002	Def Losses fr Disposition of Utility PI	184,152
18700003	Def Losses fr Disposition of Utility PI	497,515
18700011	Def Loss Disp Plt. - Electric	682,070
18700012	Def Loss Disp Plt. - Gas	379,353
18700021	Deferred Losses post 12/31/05 Property	20,655
18700022	Deferred Losses post 12/31/05 Property	(9,486)

19000093	CDFIT-Rcl: Vacation Pay - Accum Def Inc Taxes	2,908,596
19000562	Def FIT - Demand Charges	1,270,717
19000572	Def FIT - JP Storage 263A	179,522
19000003	CDFIT-Rcl: Def FIT Deferred Compensation	12,501,475
19000013	CDFIT-Rcl: Def FIT FAS 106 Retirement Benefits	4,504,876
19000023	CDFIT-Rcl: Deferred Revenue Connex - Accum Def Income Tax	2,691,000
19000062	Pipeline Capacity Assignment	14,581,042
19000073	DFIT - Gain on Sale of Crossroads Building	516,057
19000111	Land Sales - Accum Def Inc Taxes	510,890
19000123	SERPS - Accum Def Inc Taxes	(3,573)
19000141	DFIT Gain on Skagit Sale	68,625
19000161	Env Clean-Up - Accum Def Inc Taxes	-
19000181	Electric - Env Remediation Costs - Accum Def	984,000
19000221	CDFIT-Rcl: SFAS106 Operating - Accum Def Inc Taxes	-
19000233	CDFIT-Rcl: SFAS106 Non-Operating - Accum Def Inc Taxes	-
19000243	CDFIT-Rcl: SFAS106 Plan Curtail Loss - Accum Def Inc Tax	-
19000251	Gain on Disp Of Emiss Allow - Acc Def Inc Tax	590,830
19000261	CDFIT-Rcl: Pension Costs - VSRP/ESP - Accum Def Inc Taxe	-
19000281	CDFIT-Rcl: Def FIT - Deferred Compensation	-
19000293	Non-Integr Merger Costs - Accum Def Inc Taxes	-
19000301	IRS Audit 92-94 - Accum Def Inc Taxes	(161,383)
19000321	Mark to Market A/R (Sec. 475) - Accum Def Inc	-
19000341	Deferred Stock Options (WECO) - Accum Def Inc	-
19000371	Def Tax Colstrip Reclamation Electric	718,878
19000381	Def Tax Employee Stock Grants-Electric	-
19000383	Def Tax - Workers Compensation Reserve	-
19000411	Deferred FIT - California PX	-
19000431	CDFIT-Rcl: Deferred FIT-Deferred Income (Advance P	-
19000433	Deferred FIT Receivable - NOL	2,235,293
19000441	Deferred FIT - FAS 143 Whitehorn 2 & 3	675,893
19000461	Deferred FIT - Sale of GO	2,345,024
19000471	Deferred FIT - Horizon Wind Energy Paym	188,678
19000521	Encogen Activity - Electric	(4,123,424)
19000531	Deferred FIT AP&T Note Receivable Reser	-
19000541	Deferred FIT Colstrip 1&2 Liability Res	82,152
19000543	DFIT Summit Purchase Opt Buyout	1,931,417
19000582	CDFIT-Rcl: Def FIT - Non Qual SERP	-
19000602	CDFIT-Rcl: Def FIT - Accrued PTO	-
19000692	Def FIT - Reserve for Injuries and Damage	-
22100691	Conservation Trust Bonds 6.45%	-
22820011	Injuries / Damages	(1,028,553)
22820012	Liability Reserve - Gas	-
22840011	Accrued Env Rem - NWT - Mission Pole	290
22840021	Accrued Env Rem - White River (Buckley	(978,826)
22840031	Accrued Env Rem - Olympia UST	(129,471)
22840041	Accrued Env Rem - Bremerton UST	(29,534)
22840051	Accrued Env Rem - Whidbey Island UST	(15,000)
22840061	Accrued Env Rem - Tenino UST	(52,472)
22840071	Accrued Env Rem - White River UST	(48,852)
22840081	Accrued Env Rem - Puyallup Garage	(453,028)
22840091	Accrued Env Rem - G.O. UST	-
22840101	Env Rem - Centralia Plant	-

22840111	Accrued Env Rem - Poulsbo Service Cente	(10,000)
22840121	Accrued Env Rem - Olympia SVC Capacitor	-
22840411	White River Selling Cost - Carpenter Shop	(23,656)
22841001	AETNA II Lawsuit unallocated proceeds -	(889,956)
22840131	Accrued Env. Remediation - Crystal Mountain	(2,483,738)
23200011	WECO - Vouchers Payable	(5,252,636)
23200031	A/P - Power Cost	(15,363,779)
23200033	Accounts Payable - Vouchers (Electric Sys)	(881,514)
23200041	A/P - BPA Transmission Payable	(5,307,609)
23200051	A/P - Firm Contract Power Payable	(7,027,677)
23200061	A/P - Secondary Power Payable	(30,831,778)
23200063	Accounts Payable - Payroll (Electric Sys)	(423,447)
23200071	A/P - PURPA Power Payable	(20,435,926)
23200081	A/P - Combustion Turbine Fuel Payable	(1,456,800)
23200083	Accrued Liabilities	-
23200091	A/P - Competitive Bid Conservation Paya	(51,236)
23200101	A/P - Financial Swap payable	(5,138)
23200103	Salvation Army Donations	(58,510)
23200111	A/P - Transmission Payable (Non-BPA)	(79,230)
23200113	Payroll W/Holding - Energy Fund	(25)
23200121	A/P Frederickson #1 Vouchers	(522,219)
23200131	BPA Ratcheted Demand Liability	-
23200153	Misc Payroll Deductions	(4,789)
23200173	Deductions - Medical Insurance (Electric Hist	(10,896)
23200202	A/P - Everett Delta - NW Pipeline - Gas	(336)
23200212	A/P - Gas Purchases-GST Payable	-
23200222	A/P - Gas Pipeline Liability	(7,948,963)
23200241	AP - BPA 2006 Capital Projects	(201,936)
23200242	A/P - Gas Purchases	(66,275,496)
23200243	Payroll Deductions - Garnishments	-
23200281	Electric - Payroll Deductions - IBEW Union Du	(78)
23200282	Gas - Payroll Deductions - UA Union Dues	(1,510)
23200292	A/P - GST on Gas Purch. Payable to Counterparties	-
23200293	A/P Payroll W/H - Stock Purchase Plan	(384,944)
23200300	1020 A/P Other	-
23200313	Payroll - Parking Payable	(32)
23200333	PTO / Holiday / etc - Clearing	(9,216,045)
23200483	Incentive Pay Liability	(7,130,980)
23200543	DBS Non-PO Accrual	(59,123,462)
23200563	Medical Insurance - Premera	-
23200573	Medical Insurance - Group Health	-
23200583	Dental Insurance - WDS	-
23200593	Life Insurance - Aetna	-
23200603	AD&D Insurance - CIGNA	-
23200613	LTD Insurance - Hartford	-
23200623	LTC Insurance - CNA	-
23200633	Accident Insurance - Carrier name to be	-
23200643	A/P - Salary Month End Payroll Accrual	(3,918,452)
23200653	A/P - Hourly Month End Payroll Accrual	(1,030,312)
23200673	Payroll - Misc Payable Deductions-credi	-
23200683	Payroll - Misc Payable Deductions-good	(138)
23200693	Payroll - 401k company match	(55,754)



23200713	LTC Insurance - UNUM	-
23200723	Medical Insurance - Group Health	291,319
23200733	Dental Insurance - WDS	46,830
23200743	Life Insurance - Hartford	20,060
23200753	AD&D Insurance - CIGNA	2,491
23200763	LTD Insurance - Hartford	6,933
23200773	LTC Insurance - UNUM	(10,264)
23200953	Default Payroll Withholding - S/B \$0.00	616
23200963	Charitable Contribution Pledges	(306,667)
23201001	A/P - Encogen Vouchers	-
23201003	Accounts Payable Reconciliation Account	(24,960,693)
23201011	A/P - Encogen Gas Supply	-
23201013	GR/IR Clearing Account	(4,602,809)
23201023	Freight Clearing	-
23201033	Medical Aid - Supplemental	(81,296)
23201043	Health/Dependent Spending Accts - Year 1	(37,455)
23201053	Health/Dependent Spending Accts - Year	(28,546)
23201063	United Way - Payroll Deductions	(2,219)
23201073	401(k) Plan EE	(121,062)
23201093	Loan Payback 401(k)	(4,348)
23201103	P/R-401(k) PE Common Stk issue rounding	53
23201113	Cash Discount Clearing	7,465
23201153	Accounts Payable - BillServ NSF's and A	6,094
23201163	Accounts Payable - APS NSF's and Adj-Ke	(1,015)
23201173	Payroll - Medical Insurance Payable- Re	166,374
23201183	Payroll - ArtsFund Workplace Giving Pay	(137)
23202173	Payroll - Life Insurance Payable- Retir	(7,180)
23202183	A/P Liability - Credit Balance Refund	(35,273)
23202193	Medical Insurance - Regence	402,098
23500012	Customer Deposits - Gas CLX	-
23500112	Customer Deposits - Gas CLX- Effective	(6,542,162)
23600000	1020 FIT Payable	1,447,742
23600011	WA Property Tax-Freddie 1-Electric	(343,907)
23600021	Accrued WA Tax - Unbilled Electric Reve	(3,250,342)
23600022	Accrued WA Tax - Unbilled Gas Revenue	(2,161,341)
23600023	FIT Current Payable	(32,844)
23600033	Federal Income Taxes	10,145,245
23600043	Current Deferred FIT Liability	-
23600063	Federal Excise Tax - Fuel/Drayage Veh	(573)
23600093	Accrued FICA - Company	(153,555)
23600103	Accrued Federal Unemployment Ins	-
23600113	Federal Unemployment Insurance	-
23600123	Accrued State Unemployment Ins	-
23600201	Property Taxes - Washington - Electric	(23,526,560)
23600211	Property Taxes - Montana - Electric	(6,010,449)
23600213	Washington Unemployment Tax - Employer	(296,692)
23600221	Property Taxes - Oregon - Electric	91,476
23600232	Property Taxes - Washington - Gas	(10,156,546)
23600301	Washington State Real Estate Sales Tax	-
23600351	Accrued Washington Municipal Util Tax - Elect	(6,204,705)
23600381	Washington Municipal Tax Reserve - EI	-
23600391	Montana State Electric Energy Producer Tax	(298,596)

23600421	Montana Unemployment Tax Withheld - Employee	(16)
23600451	Corp License Tax - Montana	186,314
23600471	Accrued Washington State Utility Tax - Electr	(5,730,729)
23600552	Accrued Washington State Utility Tax - Gas	(3,890,258)
23600602	Accrued Washington Municipal Utility Taxes -	(4,727,441)
23600622	Washington Municipal Tax Reserve - Ga	-
23601001	WA State & City of Bellingham Excise Tax	-
23601003	Accrued WA State & Local Use Tax	(583,514)
23601011	WA State Fuel Tax - Encogen	-
23601013	Accrued WA State B & O Taxes	(98,747)
23601021	WA State Property Tax - Encogen	-
23601023	Accrued WA City B & O Taxes	(6,523)
23601031	Bellingham Excise Tax - Encogen	-
23601033	Municipal Tax Reserve	-
23601043	Federal Unemployment Tax - Employer	(38,409)
23700001	accrued int construction of Lake Young	(222,394)
23700033	Accrued Int 20 Bonds Due Mar & Sep	(697,813)
23700163	Accrued Int 6.53% Notes Due Dec & Jun	(57,137)
23700193	Accrued Int 6.83% Notes Due Dec & Jun	(51,225)
23700210	1020 Interest Payable - Debt	(429,386)
23700213	Accrued Int 6.51% Notes Due Dec & Jun	(16,275)
23700233	Accrued Int 6.10% Notes Due Dec & Jun	-
23700243	Accrued Int 6.07% Notes Due Dec & Jun	-
23700253	Accrued Int 6.90% Notes Due Dec & Jun	(172,500)
23700263	Accrued Int 6.92% Notes Due Dec & Jun	-
23700273	Accrued Int 6.92% Notes Due Dec & Jun	-
23700283	Accrued Int 6.93% Notes Due Dec & Jun	-
23700293	Accrued Int 7.02% Notes Due Dec & Jun	(333,938)
23700303	Accrued Int 7.04% Notes Due Dec & Jun	(83,722)
23700313	Accrued Int 7.12% Notes Due Dec & Jun	(124,600)
23700323	Accrued Int 7.35% Notes Due Dec & Jun	(183,750)
23700333	Accrued Int 7.36% Notes Due Dec & Jun	(36,800)
23700343	Accrued Int 6.61% Notes Due Dec & Jun	(49,575)
23700353	Accrued Int 6.62% Notes Due Dec & Jun	(82,750)
23700363	Accrued Int 7.15% Notes Due Dec & Jun	(268,125)
23700373	Accrued Int 6.58% Notes Due Dec & Jun	(53,539)
23700383	Accrued Int 7.20% Notes Due Dec & Jun	(36,000)
23700443	8.14% Med Term Notes Due 11/30/06 - Accrued I	(45,929)
23700453	7.75% Med Term Notes Due 2/1/07 - Accrued Int	(578,559)
23700493	8.06% Med Term Notes Due 6/19/06 - Accrued In	-
23700573	7.70% Med Term Notes Due 12/10/04 - Accrued I	-
23700663	7.35% Med Term Notes Due 2/1/24 - Accrued Int	-
23700673	7.80% Med Term Notes Due 5/27/04 - Accrued In	-
23700683	8.231% Debentures Due 6/1/27 - Accrued Int.	(733,645)
23700713	Accrued Int Bank Notes - Domestic	(100,881)
23700771	Conservation Trust Interest Payable	-
23700773	Accrued Interest - Misc Liabilities	(11,355)
23700803	6.46% MTN Series B Due 3/9/09 - Accrued	(2,422,500)
23700813	7.00% MTN Series B Due 3/9/29 - Accrued	(1,750,000)
23700821	Electric - Accrued Interest Customer De	(197,407)
23700822	Gas - Accrued Interest Customer Deposit	(153,072)
23700823	6.74% Med Term Notes Due 6/15/18 - Accrued In	(3,370,000)

23700833	Accrued Interest - Tax Assessments	-
23700841	Accrued Interest - Transm Deposits	(151,717)
23700843	Accrued Interest - 7.96% MTN Series B D	(4,477,500)
23700853	Accrued Interest - 7.61% MTN Series B D	(475,625)
23700873	Accrued Int - Bonds 9.14% MTN Due 06/21/01	(5,265,000)
23700893	7.69% MTN Due 2/1/11 - Accrued Interest	(4,998,500)
23700913	8.40% Capital Trust II Pfd Stk 6/30/41	-
23700933	5.0% PCB-Series 2003A due 03/01/2031-Ac	(2,019,208)
23700943	5.1% PCB-Series 2003B due 03/01/2031-Ac	(348,075)
23700953	accrued interest - \$200M 2 year floatin	-
23700963	5.483% Senior Notes due 6/1/2035	(4,036,097)
23700993	5.197% Senior Notes Dues 10/1/05 - Interest Accr	(2,273,688)
23701002	Purchased Gas Commodity Security Deposit	-
23701003	3.363% Senior Notes Due 6/1/08 - Accrue	(1,471,313)
23701013	Accrued Interest on PE Note	(114,123)
23701023	Accrued Interest - 6.724% Notes Due 6/1	(4,102,635)
23701033	Accrued Interest - 6.274% Senior Notes Due 3/15/2037	(4,685,894)
23701043	6.974% Junior Subordinated Notes Due 6/	(108,969)
23701053	6.974% Jr Sub Notes (Hybrid) due 6/1/20	(817,266)
24100013	Federal Income Tax Withheld - Employee	12,237
24100043	FICA Tax Withheld - Employee	(153,526)
24100063	Washington State & Local Sales Tax Collected	(51,913)
24100101	Montana State Income Tax Withheld	-
24100111	Montana Income Tax Withheld - Employee	(108)
24100143	Federal Income Tax Withheld - Employee	(294,308)
24100153	Montana State Income Tax Withheld	-
24100212	GST on Gas Sales from PSE	(2,086,335)
24200001	Colstrip Units 1 & 2 loss reserve	(221,052)
24200021	Misc Accd Liabilities - Western Energy	(239,344)
24200031	Accrued Liabilities - Elect. Reserve Sh	-
24200063	Accrued Severance Costs	-
24200453	2005 Attorney General Settlement	-
24200491	Whitehorn #2 & #3 - Leases Oper or Leveraged	(150,686)
24200511	Wash St Annual Filing Fee	(2,693,447)
24200541	Lower Baker - FERC License Fees	(87,836)
24200551	Upper Baker - FERC License Fees	(87,836)
24200561	Snoqualmie #1 - FERC License Fees	(24,018)
24200571	Snoqualmie #2 - FERC License Fees	(24,018)
24200581	White River - FERC License Fees	-
24200593	PSE Non-Employee Director Stock Plan	(2,128,337)
24200611	Trading Floor FERC Fees Payable	(141,467)
24200621	Accrued Real Estate Brokerage Fee	(153,591)
24200622	Accrued WUTC Fee	(1,910,589)
24200633	401(k) 1% Company Contribution	(730,043)
24200631	Conservation Trust Payable	-
24200643	Wrkrs Comp Reserve- Richard Grant Accident 10	(547,024)
24200653	Accrual - 401(k) Match on Incentive Pla	(428,064)
24200723	Non-Employee DSP Unissued Shares	(3,891)
25300001	Colstrip 3 & 4 Final Reclamation Liability	(120,871)
25300011	J Harvey Const Encroach. Dep/BPA Kitsap	(5,000)
25300022	Gas - Pipeline Capacity Assignment	-
25300031	Colstrip 3&4 Coal Supply Agreement Loss	(1,885,160)

25300033	Deferred Compensation - Salary Deferred	(35,838,672)
25300131	Unearned Option Revenue	-
25300141	Unearned Revenue - Pole Contacts	(1,941,092)
25300143	FAS106 - Post Retirmnt Benefits	(9,319,784)
25300151	Def Rev Sch85 Lifetime O&M on Increm Li	(3,116,896)
25300161	Deferred Pole Contact Compliance Payment	(641,297)
25300303	Unclaimed Vendor Payments	(29)
25300323	Unearned Revenue - Miscellaneous	(174,684)
25300371	Deferred Interchange Power	(4,037,878)
25300393	Bothell Access Center Tenant Incentives	(771,961)
25300423	Oth Deferrd Credit-Alliance Data Sys In	(7,682,146)
25300433	Misc Cash Receipts	-
25300503	Unclaimed Property - Customer Refunds	(35,998)
25300513	Unclaimed Property - Payroll Checks	1,094
25300521	Deutsche Bank Collateral Deposit with PSE	-
25300543	Unclaimed Vendor Payments - California	-
25300553	Unclaimed Property - Customer Refunds - California	-
25300551	Deposit - Rainbow Energy Marketing	-
25300561	Snoqualmie License O&M Liability	(2,050,639)
25300573	Workers Compensation Reserve - Pinnacle	(12,867)
25300633	PSE Non-Qualified Retirement Plan Liability	(36,666,417)
25300781	Unearned Rev-Renewable Energy Credit-Wi	(76,250)
25300803	Summit Purchase Option Buyout Receipt	(5,513,085)
25300973	1997 Cashiers Overages	-
25300983	1998 Cashiers Overages	-
25300993	1999 Cashiers Overages	-
25301003	2000 Cashiers Overages	-
25301013	2001 Cashiers Overages	-
25301023	2002 Cashiers Overages	(37)
25301033	2003 Cashiers Overages	(321)
25301043	2004 Cashiers Overages	(746)
25301053	2005 Cashiers Overages	(841)
25301063	2006 Cashiers Overages	(554)
25301073	2007 Cashiers Overages	(466)
25301993	1999 Cashiers Overages-Baker Resort	-
25302003	2000 Cashiers Overages-Baker Resort	-
25302013	2001 Cashiers Overages-Baker Resort	-
25302023	2002 Cashiers Overages-Baker Resort	(5)
25302033	2003 Cashiers Overages-Baker Resort	(503)
25302043	2004 Cashiers Overages-Baker Resort	(872)
25302053	2005 Cashiers Overages-Baker Resort	(97)
25302063	2006 Cashiers Overages-Baker Resort	(187)
25302073	2007 Cashiers Overages-Baker Resort	(1)
25302221	Low Income Program - Electric	(838,007)
25302222	Low Income Program - Gas	(822,613)
25302231	Contra Low Income Program - Electric	-
25302232	Contra Low Income Program - Gas	-
25400031	Rock Island Power Costs	(911,267)
25400033	Gain from Sale of Former Bellevue GO Bu	(2,086,687)
25400041	Whitehorn 2 & 3 Lease	-
25400043	Gain from Sale of Crossroads land and building	(297,642)
25400061	Unamortized Gain from Disp Allowance - Centra	(15,311)

25400101	Unamortized Gain from Disp Allowance - Colstr	(1,674,674)
25400111	Unamortized Gain from Disp Allowance - Colstr	(73,633)
25400131	Unamort Gain from Disp Allow - Conserva	(48,731)
25400141	Gain on Sale Bellevue General Office -	(2,860,479)
25400142	Gain on Sale Bellevue General Office -	(1,590,936)
25400151	Gain on Sale Crossroads - Electric	(407,990)
25400152	Gain on Sale Crossroads - Gas	(226,915)
25400161	Gain on Sale Skagit Svc Ctr-Electric	(531,515)
25400202	DETM - NW Pipeline Capacity Agreement	(32,009,279)
25400212	DETM - Westcoast Pipeline Cap. 10% Agreement	(5,444,122)
25400222	DETM - Westcoast Cap. Transition Agreement	(4,202,033)
25600031	Def Gains - Disp Utility Plant 7/1/92 - 6/30/	(1,993,531)
25600051	Def Gains fr Disp Utility Plant - Elec	(473,533)
25600052	Def Gains for Disp Utility Plant - Gas	(564)
25600061	Deferred Gains post 12/31/05 Property s	(318,699)
28300021	Def Tax - Environmental Recoveries	-
28300172	DFIT - Loss on Sale of Everett Building	(1,375,000)
28300191	Duvall Sub Land Exchge - Def Inc Tax	-
28300211	DFIT - 2006 Storm Excess Costs	(30,112,625)
28300241	DFIT - Section 263 A Deductible Costs	(3,333)
28300251	Def FIT - 1/16/00 Wind Storm Damage	208
28300301	Def FIT - 12/04/03 Wind Storm Damage	(2,830,570)
28300371	Superfund Site Cleanup	-
28300401	1996 Holiday Storm	-
28300411	11/23/98 Storm Loss	-
28300452	GDFIT-Rcl: FIT - Tight Sands Credit (TSCR)	-
28300462	GDFIT-Rcl: Investment Tax Credit Not Recognized	-
28300471	Deferred Income Tax - Virtual Right of Way Pr	(6,893,750)
28300531	DFIT - 2007 Storm Damage Deferred	(139,500)
		144,748,740
Gas Merchandising		(79,890)
Total Working Capital		144,668,850