

**EXHIBIT NO. ___(MJS-3)
DOCKET NO. UE-072300/UG-072301
2007 PSE GENERAL RATE CASE
WITNESS: MICHAEL J. STRANIK**

**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**

**SECOND EXHIBIT (NONCONFIDENTIAL) TO THE
PREFILED REBUTTAL TESTIMONY OF
MICHAEL J. STRANIK
ON BEHALF OF PUGET SOUND ENERGY, INC.**

JULY 3, 2008

Accounts affected by the implementation of FAS 143 on PSE's financial statements.

Asset Retirement Cost (ARC)	FERC	Debit	Credit
ARO Shuffleton Harbor Lease	317	\$ 231,588	
ARO Whitehorn Leasehold	347	170,109	
ARO ASH Pond Capping 1& 2	317	540,097	
ARO ASH Pond Capping 3 & 4	317	333,978	
ARO Cast Iron Pipe	388	879,297	
Total Utility Plant	101	\$2,155,069	

Accumulated Depreciation ARC	FERC	Debit	Credit
ARO Shuffleton Harbor Lease	108		\$ 231,588
ARO Whitehorn Leasehold	108		133,668
ARO ASH Pond Capping 1& 2	108		358,779
ARO ASH Pond Capping 3 & 4	108		176,476
ARO Cast Iron Pipe	108		775,883
Total Accumulated Depr ARC	108		\$1,676,394

Accumulated Depreciation	FERC	Debit	Credit
Shuffleton Harbor Lease	108	\$ 530,050	
Whitehorn Leasehold	108	3,751	
ASH Pond Capping 1& 2	108	825,013	
ASH Pond Capping 3 & 4	108	464,779	
Cast Iron Pipe	108	1,052,153	
Total Accumulated Depr	108	\$2,875,746	

Asset Retirement Obligation Liability	FERC	Debit	Credit
ARO Shuffleton Harbor Lease	230		\$ 530,050
ARO Whitehorn Leasehold	230		300,467
ARO ASH Pond Capping 1& 2	230		1,006,331
ARO ASH Pond Capping 3 & 4	230		622,281
ARO Cast Iron Pipe	230		1,155,567
Total ARO liability	230		\$3,614,696

Income Statement Impact	FERC	Debit	Credit
Cumulative effect of accounting change			
Whitehorn Lease	435	\$260,275	
Total	435	\$260,275	