

**EXHIBIT NO. ___(JHS-17C)
DOCKET NO. UE-072300/UG-072301
2007 PSE GENERAL RATE CASE
WITNESS: JOHN H. STORY**

**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**

**THIRD EXHIBIT (CONFIDENTIAL) TO THE
PREFILED REBUTTAL TESTIMONY OF
JOHN H. STORY
ON BEHALF OF PUGET SOUND ENERGY, INC.**

REDACTED

JULY 3, 2008

Exhibit A-1 Power Cost Rate

Row		<u>Test Year</u>		
3	Regulatory Assets (Variable)	\$	173,406,226	
4	Transmission Rate Base (Fixed)		107,422,863	
5	Production Rate Base (Fixed)		1,068,106,060	
6		\$	1,348,935,148	
7	Net of tax rate of return		7.23%	
8				Production
9				Factor
10	Regulatory Asset Recovery (on Row 3)	\$	19,288,108	0.96663
11	Fixed Asset Recovery Other (on Row 4)	\$	11,948,728	Rate Year
12	Fixed Asset Recovery-Prod Factored (on Row 5)	\$	118,806,259	
13	501-Steam Fuel	\$	54,253,262	
14	555-Purchased power	\$	744,150,957	
14a	Rate Disallowances for March Point 2 & Tenaska	\$	(8,416,594)	
15	557-Other Power Exp	\$	5,850,444	
15a	Payroll Overheads - Worker's Comp	\$	2,635,277	
15b	Property Insurance	\$	2,254,735	
15c	Montana Electric Energy Tax	\$	1,613,206	
15d	Payroll Taxes on Production Wages	\$	1,152,861	
16	547-Fuel	\$	122,267,324	
17	565-Wheeling	\$	67,657,484	
18	Variable Transmission Income	\$	(4,458,228)	
19	Hydro and Other Pwr.	\$	96,183,223	
20	447-Sales to Others	\$	(14,704,466)	
21	456-Subaccounts 00012 & 00018 and 00035 & 00036	\$	(149,656)	
22	Transmission Exp - 500KV	\$	1,136,455	
23	Depreciation & Amort -Production (FERC 403)	\$	68,154,655	
24	Depreciation-Transmission	\$	4,053,897	
25	Amortization-Production Reg Assets	\$	40,316,621	
26	Property Taxes-Production	\$	14,671,707	
27	Property Taxes-Transmission	\$	3,535,153	
28	Hedging Line of Credit	\$	285,295	
29	Subtotal & Baseline Rate	\$	1,352,486,706	
30	Revenue Sensitive Items		0.9559032	
31		\$	1,414,878,312	
32	Test Year DELIVERED Load (MWH's)		21,283,656	<-- includes Firm Wholesale
33				
34				
35				
36				
37				
38	Power Cost in Rates with Revenue Sensitive			
39	Items (the adjusted baseline)	\$	63.544	\$
40	sum of (a) = Fixed Rate Component	\$	15.597	\$
41	(b) = Power Cost Rate	\$	63.544	\$
42	sum of (c) = Variable Power Rate Component	\$	47.947	\$

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

Exhibit A-2 Transmission Rate Base

Row		Plant AMA 9/30/2007	AMA Accum Deprec/Amort	Net	Annualized Depreciation		
7							
8							
6		TRANS - COLSTRIP 1 & 2					
7	E350	100428	Land and Land Rights	\$ 10,247	\$ -	\$ 10,247	
8	E351	100127	Easements	685,927	(360,207)	325,719	13,033
9	E353	100136	Station Equipment	1,231,131	(874,485)	356,646	25,977
10	E354	100145	Towers & Fixtures	14,474,343	(8,014,007)	6,460,336	241,722
11	E355	100149	Poles & Fixtures	49,007	(45,717)	3,290	1,622
12	E356	100157	OH Conductors & Devices	13,158,153	(7,836,950)	5,321,203	277,637
13	E359	100170	Roads & Trails	113,968	(59,703)	54,265	1,630
14		TOTAL COLSTRIP 1&2 TRANSMISSION		<u>29,722,775</u>	<u>(17,191,069)</u>	<u>12,531,705</u>	<u>561,620</u>
15							
16		TRANS - COLSTRIP 3 & 4					
17	E351	100128	Easements	1,071,124	(549,247)	521,877	20,351
18	E352	100132	Structures & Improvements	496,711	(257,560)	239,152	8,444
19	E353	100137	Station Equipment	18,174,239	(9,862,443)	8,311,796	383,636
20	E354	100146	Towers & Fixtures	20,520,449	(11,029,237)	9,491,212	342,640
21	E355	100150	Poles & Fixtures	88,692	(49,721)	38,970	2,936
22	E356	100158	OH Conductors & Devices	19,991,226	(11,651,182)	8,340,044	421,815
23	E359	100171	Roads & Trails	341,015	(175,733)	165,282	4,877
24		TOTAL COLSTRIP 3&4 TRANSMISSION		<u>60,683,456</u>	<u>(33,575,123)</u>	<u>27,108,333</u>	<u>1,184,699</u>
25							
26		TRANS - 3RD NW-SW INTERTIE					
27	E350	100430	Land and Land Rights	1,769,178	-	1,769,178	-
28	E352	100134	Structures & Improvements	1,276,264	(319,373)	956,891	21,696
29	E353	100143	Station Equipment	31,896,982	(9,756,046)	22,140,936	679,173
30	E354	100147	Towers & Fixtures	22,781,417	(5,794,238)	16,987,178	380,450
31	E355	100649	Poles & Fixtures	204,200	(52,163)	152,037	6,759
32	E356	100164	OH Conductors & Devices	23,498,183	(8,059,225)	15,438,959	495,812
33	E356	100437	OH Conductors & Devices	206	(42)	163	4
34	E359	100174	Roads & Trails	59,215	(7,860)	51,356	847
35		TOTAL 3RD NW-SW INTERTIE		<u>81,485,645</u>	<u>(23,988,947)</u>	<u>57,496,698</u>	<u>1,584,741</u>
36							
37		TRANS - NORTHERN INTERTIE					
38	E350	100881	Land and Land Rights	30,604	-	30,604	
39	E354	100879	Towers & Fixtures-Whatcom	5,744,097	(1,164,837)	4,579,260	95,926
40	E355	100878	Poles & Fixtures-Whatcom	11,219	(3,925)	7,295	371
41	E356	100877	OH Conductors & Devices-Whatco	7,460,099	(2,042,568)	5,417,530	157,408
42	E355	100647	Poles & Fixtures-Skagit	3,398,685	(955,541)	2,443,144	112,496
43	E356	100648	OH Conductors & Devices-Skagit	5,142,699	(1,274,958)	3,867,741	108,511
44		TOTAL NORTHERN INTERTIE		<u>21,787,403</u>	<u>(5,441,829)</u>	<u>16,345,574</u>	<u>474,713</u>
45							
46							
47		Total Transmission		\$ 193,679,280	\$ (80,196,969)	\$ 113,482,310	\$ 3,805,774
48		Accumulated Depreciation (AMA)		(80,196,969)			
49		Deferred Taxes (AMA)		(10,328,344)			
50		Transmission portion of:					
51		Colstrip Common FERC Adj, net of accum amort		3,674,439			213,630
52		Colstrip Def Depr FERC Adj, net of accum amort		594,457			34,493
53							
54		Total Transmission Rate Base		<u>\$ 107,422,863</u>			<u>\$ 4,053,897</u>

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

Exhibit A-3 Colstrip Fixed Costs

Row	Revenue Requirement for Colstrip			
3	Plant	713,910,714		
4	Accumulated Depreciation	(424,341,614)		
5	Deferred Taxes - AMA 9/30/2007	(60,490,992)		
6	Net Plant	<u>229,078,109</u>		A-3 Page 1
7	Rate of Return (net of Tax)	7.23%		
8	Revenue Requirement after tax	16,562,347	(Line 6 X Line 7)	
9	Plant Revenue Requirement	25,480,534	(Adjusted for Federal Tax) (Line 8 X (1 - 35%))	35.00%
10	Expenses	72,012,429		
11	Total Revenue Requirement	97,492,963	(before revenue sensitive items)	

14	FERC	DESCRIPTION	2006 Sep	2007 Sep	13 MONTH AMA	ANNUITY RATE	ANNUALIZED DEPRECIATION	AMA ACUMM. DEPR.
15		COLSTRIP #1						
16	E311	Structures & Improvements	7,435,989	7,473,868	7,442,839	3.91%	290,983	(4,667,186)
17	E312	Boiler Plant Equipment	55,297,743	58,163,161	58,399,565	3.64%	2,135,756	(38,786,593)
18	E314	Turbo Generating Units	19,333,175	23,438,987	21,941,924	5.20%	1,177,923	(10,315,710)
19	E315	Accessory Electric Equipment	7,180,779	7,180,435	7,180,436	1.97%	141,393	(5,497,749)
20	E316	Misc. Power Plant Equipment	563,919	799,296	738,763	4.79%	38,607	(339,996)
21		TOTAL	89,811,604	97,055,746	95,703,527	3.95%	3,784,663	(59,607,233)
22		COLSTRIP #2						
23	E311	Structures & Improvements	5,822,932	5,860,809	5,829,780	2.97%	173,127	(4,308,946)
24	E312	Boiler Plant Equipment	49,622,109	49,788,214	50,336,181	3.83%	1,930,120	(32,467,864)
25	E314	Turbo Generating Units	16,983,271	20,283,196	18,935,759	5.03%	972,784	(9,192,560)
26	E315	Accessory Electric Equipment	5,070,990	5,087,939	5,071,696	2.93%	148,531	(3,300,376)
27	E316	Misc. Power Plant Equipment	588,700	824,074	761,972	4.93%	40,945	(339,989)
28		TOTAL	78,088,002	81,844,232	80,935,388	4.03%	3,265,506	(49,609,735)
29		COLSTRIP 1 & 2 COMMON						
30	E311	Structures & Improvements	31,349,014	31,349,014	31,349,014	2.77%	805,478	(23,933,769)
31	E312	Boiler Plant Equipment	7,804,511	6,485,834	7,639,677	2.66%	200,567	(5,955,725)
32	E314	Turbo Generating Units	3,845,456	3,844,103	3,845,287	2.65%	101,890	(3,018,238)
33	E315	Accessory Electric Equipment	2,375,376	2,375,376	2,375,376	2.41%	57,242	(1,692,849)
34	E316	Misc. Power Plant Equipment	6,363,663	6,289,463	6,354,388	2.82%	179,035	(4,334,267)
35	E317	Asset Retirement Obligation	540,097	540,097	540,097	0.00%	15,431	(419,218)
36		TOTAL	52,278,117	50,883,887	52,103,839	2.61%	1,359,643	(39,354,065)
37		COLSTRIP 3						
38	E311	Structures & Improvements	29,046,399	29,058,976	29,048,700	2.80%	813,340	(18,146,443)
39	E312	Boiler Plant Equipment	120,515,322	123,772,538	121,626,748	2.81%	3,392,494	(77,028,363)
40	E314	Turbo Generating Units	39,218,823	41,474,566	39,609,872	3.77%	1,503,373	(18,601,328)
41	E315	Accessory Electric Equipment	6,468,230	6,460,699	6,467,516	2.50%	161,643	(3,760,031)
42	E316	Misc. Power Plant Equipment	550,709	704,857	667,549	3.69%	26,323	(284,941)
43		TOTAL	195,799,483	201,471,636	197,420,385	2.99%	5,897,173	(117,821,106)
44		COLSTRIP 4						
45	E311	Structures & Improvements	26,588,411	26,600,987	26,590,711	2.75%	731,183	(15,408,741)
46	E312	Boiler Plant Equipment	107,860,241	108,751,249	108,211,291	2.98%	3,229,140	(60,526,081)
47	E314	Turbo Generating Units	36,166,530	37,714,991	37,405,037	3.59%	1,359,090	(16,231,636)
48	E315	Accessory Electric Equipment	5,669,307	5,670,535	5,669,687	2.54%	144,026	(2,976,522)
49	E316	Misc. Power Plant Equipment	748,198	902,346	865,038	3.26%	29,694	(382,886)
50		TOTAL	177,032,686	179,640,108	178,741,764	3.07%	5,493,132	(95,525,866)
51		COLSTRIP 3 & 4 COMMON						
52	E311	Structures & Improvements	70,602,621	70,574,232	70,599,073	2.53%	1,740,035	(43,774,562)
53	E312	Boiler Plant Equipment	18,959,641	18,727,316	18,930,601	2.68%	506,508	(11,564,327)
54	E314	Turbo Generating Units	13,373	10,515	13,016	49.28%	5,746	106,746
55	E315	Accessory Electric Equipment	7,652,070	7,652,070	7,652,070	2.32%	177,507	(4,346,380)
56	E316	Misc. Power Plant Equipment	4,639,637	4,613,132	4,636,324	2.70%	125,011	(2,480,469)
57	E317	Asset Retirement Obligation	333,978	333,978	333,978	0.00%	7,590	(206,204)
58		TOTAL	102,201,321	101,911,244	102,165,062	2.51%	2,562,397	(62,265,196)
59		COLSTRIP 1-4 COMMON						
60	E316	Misc. Power Plant Equip.	251,534	251,534	251,534	2.23%	5,609	(158,412)
61		TOTAL	251,534	251,534	251,534	2.23%	5,609	(158,412)
62								
63		Subtotal before Colstrip FERC Adjustments (Line 63 + 65)	695,462,748	713,058,387	707,321,499	3.16%	22,368,124	(424,341,614)
64		ARO - Electric Colstrip 1-4 (Acct: 23001021 - 1031) Adj (AMA is Net of Accum. Amort.)			(1,903,266)		91,109	
65		Colstrip Common FERC Adj. (AMA is Net of Accum. Amort.)			6,100,301		354,669	
66		Colstrip Def Depr FERC Adj. (AMA is Net of Accum. Amort.)			2,392,180		104,311	
67		Totals			713,910,714	3.21%	22,918,212	(424,341,614)

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

ROW **Exhibit A-3 Colstrip Fixed Costs**

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75

76

77

78

79 Support for Revenue Requirement - Expenses

80

81 Order

Description

**Amount before
Prod. Adj.**

82 50004011

Colstrip 1&2 - Supv & Eng'g - Steam Ope

XXXXXX

83 50005011

Colstrip 3&4 - Supv & Eng'g - Steam Ope

XXXXXX

84 50204001

Colstrip 1&2 - Steam Exp - Steam Gen Op

XXXXXX

85 50205001

Colstrip 3&4 - Steam Exp - Steam Gen Op

XXXXXX

86 50504001

Colstrip 1&2 - Electric Exp - Steam Gen

XXXXXX

87 50505001

Colstrip 3&4 - Electric Exp - Steam Gen

XXXXXX

88 50604001

Colstrip 1&2 - Misc Stm Pwr - Steam Gen

XXXXXX

89 50605001

Colstrip 3&4 - Misc Stm Pwr - Steam Gen

XXXXXX

90 50704001

Colstrip 1&2 - Rents - Steam Gen Oper

XXXXXX

91 50705001

Colstrip 3&4 - Rents - Steam Gen Oper

XXXXXX

92 51004001

Colstrip 1&2 - Supv & Eng'g - Steam Gen

XXXXXX

93 51005001

Colstrip 3&4 - Supv & Eng'g - Steam Gen

XXXXXX

94 51104001

Colstrip 1&2 - Structures - Steam Gen M

XXXXXX

95 51105001

Colstrip 3&4 - Structures - Steam Gen M

XXXXXX

96 51204001

Colstrip 1&2 - Boiler Plant - Steam Gen

XXXXXX

97 51205001

Colstrip 3&4 - Boiler Plant - Steam Gen

XXXXXX

98 51304001

Colstrip 1&2 - Electric Plant - Steam G

XXXXXX

99 51305001

Colstrip 3&4 - Electric Plant - Steam G

XXXXXX

100 51404001

Colstrip 1&2 -Misc Steam Plt -Steam Gen

XXXXXX

101 51405001

Colstrip 3&4 -Misc Steam Plt -Steam Gen

XXXXXX

102

Subtotal for the test year

XXXXXX

103

Adjustment to the rate year

XXXXXX

104

Subtotal on Orders

35,967,505

105

Property Taxes-Montana

11,457,814

106

Electric Energy Tax

1,668,897

107

403xxxxx

Depreciation

22,918,212

108

\$ 72,012,429

**REDACTED
VERSION**

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

Exhibit A-4 Production Adjustment

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**PUGET SOUND ENERGY
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:			
3	PURCHASED POWER	\$ 172,558	\$ (5,758)	\$ 2,015
4	OTHER POWER SUPPLY	813,586	(27,149)	9,502
5	TOTAL PRODUCTION WAGE INCREASE	<u>986,144</u>	<u>(32,908)</u>	<u>11,517</u>
6				
7	ADMIN & GENERAL EXPENSES			
8	PAYROLL OVERHEADS	2,726,252	(90,975)	31,841
9	PROPERTY INSURANCE	<u>2,332,573</u>	<u>(77,838)</u>	<u>27,243</u>
10	TOTAL ADMIN & GENERAL EXPENSES	<u>5,058,825</u>	<u>(168,813)</u>	<u>59,084</u>
11				
12	DEPRECIATION / AMORTIZATION:			
13	DEPRECIATION	64,700,816	(2,159,066)	462,126
14	AMORTIZATION	5,806,675	(193,769)	65,192
15	TOTAL DEPRECIATION AND AMORTIZATION (FERC 403)	<u>70,507,490</u>	<u>(2,352,835)</u>	<u>527,318</u>
16	TAXES OTHER-PRODUCTION PROPERTY:			
17	PROPERTY TAXES - WASHINGTON	6,476,490	(216,120)	75,642
18	PROPERTY TAXES - MONTANA	8,701,714	(290,376)	101,632
19	ELECTRIC ENERGY TAX	1,668,897	(55,691)	19,492
20	PAYROLL TAXES	1,192,660	(39,799)	13,930
21	TOTAL TAXES OTHER	<u>18,039,761</u>	<u>(601,987)</u>	<u>210,696</u>
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	<u>\$ 41,708,431</u>	<u>\$ (1,391,810)</u>	<u>\$ 487,133</u>
34	INCREASE(DECREASE) EXPENSE		<u>(4,548,353)</u>	
35	INCREASE(DECREASE) FIT			<u>1,295,748</u>
36	INCREASE(DECREASE) NOI			<u>\$ 3,252,604</u>
37				
38	<u>PRODUCTION PROPERTY RATE BASE:</u>			
39	DEPRECIABLE PRODUCTION PROPERTY	\$ 2,121,905,426	\$ (70,807,984)	
40	LESS PRODUCTION PROPERTY ACCUM DEPR.	<u>(994,745,280)</u>	<u>33,194,650</u>	
41	NON-DEPRECIABLE PRODUCTION PROPERTY	80,465,857	(2,685,146)	
42	LESS PRODUCTION PROPERTY ACCUM AMORT.	(4,422,650)	147,584	
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	<u>1,252,442,411</u>	<u>(41,794,003)</u>	
47	DEDUCT:			
48	LIBR. DEPREC. PRE 1981 (EOP)	(372,848)	12,442	
49	LIBR. DEPREC. POST 1980 (EOP)	<u>(143,794,887)</u>	<u>4,798,435</u>	
50	OTHER DEF. TAXES (EOP)	(3,295,458)	109,969	
51	SUBTOTAL	<u>(147,463,194)</u>	<u>4,920,847</u>	
52				
53	ADJUSTMENT TO PRODUCTION RATE BASE	<u>\$ 1,104,979,217</u>	<u>\$ (36,873,156)</u>	<u>\$ 1,068,106,060</u>
54				
55	<u>REGULATORY ASSETS RATE BASE:</u>			
56	CABOT	21,125	(705)	
57	TENASKA	94,583,875	(3,156,264)	
58	BEP	19,609,943	(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	<u>GOLDENDALE FIXED COST DEFERRAL (NEW)</u>	<u>6,763,253</u>	<u>(225,690)</u>	
65				
66	ADJUSTMENT TO REGULATORY ASSETS RATE BASE	<u>\$ 179,392,556</u>	<u>\$ (5,986,330)</u>	<u>\$ 173,406,226</u>
67				
68	TOTAL ADJUSTMENT TO RATEBASE (LINE 56 + LINE 67)		<u>\$ (42,859,487)</u>	

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

**PUGET SOUND ENERGY
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	<i>\$ 176,520,586</i>	<i>\$ 57,211,417</i>
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 POIN	-	<i>(8,416,594)</i>	<i>(8,416,594)</i>
14 SUBTOTAL PURCHASED AND INTERCHAN	\$ 990,181,182	\$ 741,703,302	\$ (248,477,880)
15 WHEELING	63,827,743	67,657,484	3,829,741
16 SCH. 94 - RES./FARM CREDIT	-	-	-
17 TOTAL PRODUCTION EXPENSES	\$ 1,173,318,094	<i>\$ 985,881,372</i>	<i>\$ (187,436,722)</i>
18 HYDRO AND OTHER POWER	79,069,006	95,396,787	16,327,780
19 TRANS. EXP. INCL. 500KV O&M	1,175,688	1,136,455	(39,233)
20			
21 TOTAL OPERATING EXPENSES	\$ 1,253,562,789	\$ 1,082,414,614	\$ (171,148,175)
22			
23 INCREASE (DECREASE) OPERATING INCOM	\$ (970,136,404)	<i>\$ (1,057,574,309)</i>	<i>\$ (87,437,904)</i>
24			
25 REDUCTION TO STATE UTILITY TAX SAVI	3.85%		(23,005)
26 INCREASE (DECREASE) INCOME			<i>\$ (87,414,899)</i>
27 INCREASE (DECREASE) FIT @	35%		<i>(30,595,215)</i>
28 INCREASE (DECREASE) NOI			<i>\$ (56,819,685)</i>

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

Exhibit D: Regulatory Assets and Liabilities net of Accumulated Amortization and Deferred Taxes (PCA Periods)
2007 GRC

Ref	Description	12 Months Ended December 31		PCA Period		Return					
		Balance		AMA Ratebase		Amount		Pre Tax		Monthly	
		Asset Amort	AA & ADFIT	Asset Amort	AA & ADFIT	A.T. %	Amount	Pre Tax	Monthly		
(Note 1)											
9	Cabot Buyout										
10	Beginning	\$ 12,588,000									
11	Dec 2000	\$ (312,000)									
12	Dec 2001	\$ (741,000)									
13	Dec 2002	\$ (1,070,000)									
14	Dec 2003	\$ (1,409,000)									
15	Dec 2004	\$ (1,768,000)									
16	Dec 2005	\$ (2,163,000)									
17	Dec 2006	\$ (2,614,000)									
18	Dec 2007	\$ (3,078,000)									
19	Dec 2008	\$ (1,410,000)									
20	Dec 2009	\$ -									
21	Dec 2010	\$ -									
22	Dec 2011	\$ -									
23	Dec 2012	\$ -									
(Note 1)											
24	Tenaska										
25	Beginning	\$ 215,000,000									
26	Dec 1998	\$ (1,952,000)									
27	Dec 1999	\$ (3,863,000)									
28	Dec 2000	\$ (5,463,000)									
29	Dec 2001	\$ (7,382,000)									
30	Dec 2002	\$ (9,494,000)									
31	Dec 2003	\$ (11,924,000)									
32	Dec 2004	\$ (14,744,000)									
33	Dec 2005	\$ (17,908,000)									
34	Dec 2006	\$ (20,615,000)									
35	Dec 2007	\$ (24,343,000)									
36	Dec 2008	\$ (28,272,000)									
37	Dec 2009	\$ (32,676,000)									
38	Dec 2010	\$ (37,533,000)									
39	Dec 2011	\$ (40,629,000)									
40	Dec 2012	\$ -									
41	Dec 2013	\$ -									
42	Dec 2014	\$ -									
43	Dec 2015	\$ -									
(Note 1)											
44	BEP										
45	Beginning	\$ 54,662,561									
46	Dec 2002	\$ (3,526,620)									
47	Dec 2003	\$ (3,526,620)									
48	Dec 2004	\$ -									
49	Dec 2005	\$ -									
50	Dec 2006	\$ -									
51	Dec 2007	\$ -									
52	Dec 2008	\$ -									
53	Dec 2009	\$ -									
54	Dec 2010	\$ -									
55	Dec 2011	\$ -									
56	Dec 2012	\$ -									
57	Dec 2013	\$ -									
58	Dec 2014	\$ -									
59	Dec 2015	\$ -									
60	Dec 2016	\$ -									
61	Dec 2017	\$ -									
62	Dec 2018	\$ -									
63	Dec 2019	\$ -									
64	Dec 2020	\$ -									
65	Dec 2021	\$ -									
66	Dec 2022	\$ -									
67	Dec 2023	\$ -									
68	Dec 2024	\$ -									
69	Dec 2025	\$ -									
70	Dec 2026	\$ -									
71	Dec 2027	\$ -									
72	Dec 2028	\$ -									
73	Dec 2029	\$ -									
74	Dec 2030	\$ -									
75	Dec 2031	\$ -									
76	Dec 2032	\$ -									
77	Dec 2033	\$ -									
78	Dec 2034	\$ -									
79	Dec 2035	\$ -									
80	Dec 2036	\$ -									
81	Dec 2037	\$ -									
82	Dec 2038	\$ -									
83	Dec 2039	\$ -									
84	Dec 2040	\$ -									
85	Dec 2041	\$ -									
86	Dec 2042	\$ -									
87	Dec 2043	\$ -									
88	Dec 2044	\$ -									
89	Dec 2045	\$ -									
90	Dec 2046	\$ -									
91	Dec 2047	\$ -									
92	Dec 2048	\$ -									
93	Dec 2049	\$ -									
94	Dec 2050	\$ -									
95	Dec 2051	\$ -									
96	Dec 2052	\$ -									
97	Dec 2053	\$ -									
98	Dec 2054	\$ -									
99	Dec 2055	\$ -									
100	Dec 2056	\$ -									
101	Dec 2057	\$ -									
102	Dec 2058	\$ -									
103	Dec 2059	\$ -									
104	Dec 2060	\$ -									
105	Dec 2061	\$ -									
106	Dec 2062	\$ -									
107	Dec 2063	\$ -									
108	Dec 2064	\$ -									
109	Dec 2065	\$ -									
110	Dec 2066	\$ -									
111	Dec 2067	\$ -									
112	Dec 2068	\$ -									
113	Dec 2069	\$ -									
114	Dec 2070	\$ -									
115	Dec 2071	\$ -									
116	Dec 2072	\$ -									
117	Dec 2073	\$ -									
118	Dec 2074	\$ -									
119	Dec 2075	\$ -									
120	Dec 2076	\$ -									
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122	Dec 2078	\$ -									
123	Dec 2079	\$ -									
124	Dec 2080	\$ -									
125	Dec 2081	\$ -									
126	Dec 2082	\$ -									
127	Dec 2083	\$ -									
128	Dec 2084	\$ -									
129	Dec 2085	\$ -									
130	Dec 2086	\$ -									
131	Dec 2087	\$ -									
132	Dec 2088	\$ -									
133	Dec 2089	\$ -									
134	Dec 2090	\$ -									
135	Dec 2091	\$ -									
136	Dec 2092	\$ -									
137	Dec 2093	\$ -									
138	Dec 2094	\$ -									
139	Dec 2095	\$ -									
140	Dec 2096	\$ -									
141	Dec 2097	\$ -									
142	Dec 2098	\$ -									
143	Dec 2099	\$ -									
144	Dec 2100	\$ -									
145	Dec 2101	\$ -									
146	Dec 2102	\$ -									
147	Dec 2103	\$ -									
148	Dec 2104	\$ -									
149	Dec 2105	\$ -									
150	Dec 2106	\$ -									
151	Dec 2107	\$ -									
152	Dec 2108	\$ -									
153	Dec 2109	\$ -									
154	Dec 2110	\$ -									
155	Dec 2111	\$ -									

Exhibit D: Regulatory Assets and Liabilities net of Accumulated Amortization and Deferred Taxes (PCA Periods)
2007 GRC

Ref	Description	12 Months Ended December 31		AMA Ratebase		PCA Period		Return		
		Balance		net of		A.T. %		Amount		
		Asset Amort	AA & ADFIT	Asset Amort	AA & ADFIT	AA & ADFIT	Pre Tax	Monthly		
49	Dec 2004	\$ (3,526,620)	44,082,701	(3,526,620)	44,082,701	6/05	7.3%&7.01%	3,176,358	4,886,704	407,225
50	Dec 2005	\$ (3,526,620)	40,556,081	(3,526,620)	40,556,081	6/06	7.01%	2,842,981	4,373,817	364,485
51	Dec 2006	\$ (3,526,620)	37,029,461	(1,763,310)	37,911,116	12/06	7.01%	2,657,569	4,088,568	340,714
52	Dec 2007	\$ (3,526,620)	22,808,103	(3,526,620)	24,500,027	12/07	7.01%&7.06%	1,729,299	2,660,460	221,705
53	Dec 2008	\$ (3,526,620)	20,409,483	(3,526,620)	21,608,793	12/08	7.06%&7.23%	1,535,900	2,362,923	196,910
54	Dec 2009	\$ (3,526,620)	18,010,863	(3,526,620)	19,210,173	12/09	7.23%	1,388,896	2,136,762	178,064
55	Dec 2010	\$ (3,526,620)	15,612,243	(3,526,620)	16,811,553	12/10	7.23%	1,215,475	1,869,962	155,830
56	Dec 2011	\$ (3,526,620)	13,213,623	(3,526,620)	14,412,933	12/11	7.23%	1,042,055	1,603,162	133,597
57	Dec 2012	\$ (3,526,620)	10,815,003	(3,526,620)	12,014,313	12/12	7.23%	868,635	1,336,361	111,363
58	Dec 2013	\$ (3,526,620)	8,416,383	(3,526,620)	9,615,693	12/13	7.23%	695,215	1,069,561	89,130
59	Dec 2014	\$ (3,526,620)	6,017,763	(3,526,620)	7,217,073	12/14	7.23%	521,794	802,761	66,897
60	Dec 2015	\$ (3,526,620)	3,619,143	(3,526,620)	4,818,453	12/15	7.23%	348,374	535,960	44,663
61	Dec 2016	\$ (3,526,620)	1,220,523	(3,526,620)	2,419,833	12/16	7.23%	174,954	269,160	22,430
62	Dec 2017	\$ (1,763,261)	0	(1,763,261)	309,550	12/17	7.23%	22,380	34,431	2,869
63	Dec 2018	\$ -	0	-	0	12/18	7.23%	0	0	0
64	Dec 2019	\$ -	0	-	0					
65	Dec 2020	\$ -	0	-	0					
66	G/L Accts #18230641, #18236021, 6031, 6041, 6051, 6061, 6071, #18230691, #19000021 and #28300011									
67	White River Relicensing (Note 2)									
68	Beginning	\$ 20,545,452		-	16,727,249	6/06	7.01%	1,172,580	1,803,969	150,331
69	Dec 2004	\$ 15,194,768		-	19,952,479	12/06	7.01%	1,398,669	2,151,798	179,317
70	Dec 2005	\$ 17,134,558		-	15,867,232	6/05	7.3%&7.01%	362,638	557,905	46,492
71	Dec 2006	\$ 21,307,241		-	23,235,098	12/07	7.01%&7.06%	1,640,016	2,523,101	210,258
72	Dec 2007	\$ 23,801,059		-	21,826,245	12/08	7.06%&7.23%	1,551,356	2,386,701	198,892
73	Dec 2008	\$ 21,740,384		-	21,740,384	12/09	7.23%	1,571,830	2,418,200	201,517
74	Dec 2009	\$ 21,740,384		-	21,740,384	12/10	7.23%	1,571,830	2,418,200	201,517
75	Dec 2010	\$ 21,740,384		-	21,740,384	12/11	7.23%	1,571,830	2,418,200	201,517
76	Dec 2011	\$ 21,740,384		-	21,740,384	12/11	7.23%	1,571,830	2,418,200	201,517
77	Dec 2012	\$ 21,740,384		-	21,740,384	12/11	7.23%	1,571,830	2,418,200	201,517
78	Dec 2013	\$ 21,740,384		-	21,740,384	12/11	7.23%	1,571,830	2,418,200	201,517
79	G/L Accts #18220011, #18220021, #18220031, #18220041 and #18220051 and Order #40700015									
80	White River Plant Costs									
81	Beginning	\$ 43,419,577		(1,494,702)	40,832,156	6/06	7.01%	2,862,334	4,403,591	366,966
82	Dec 2004	\$ (1,494,702)		(747,351)	39,923,952	12/06	7.01%	2,798,669	4,305,645	358,804
83	Dec 2005	\$ (1,494,702)		(1,494,702)	37,628,503	12/07	7.01%&7.06%	2,655,954	4,086,083	340,507
84	Dec 2006	\$ (1,494,702)		(1,494,702)	35,041,392	12/08	7.06%&7.23%	2,490,656	3,831,778	319,315
85	Dec 2007	\$ (1,494,702)		(1,494,702)	33,192,923	12/09	7.23%	2,399,848	3,692,074	307,673
86	Dec 2008	\$ (1,494,702)		(1,494,702)	31,128,846	12/09	7.23%	2,399,848	3,692,074	307,673
87	Dec 2009	\$ (1,494,702)		(1,494,702)	29,128,846	12/09	7.23%	2,399,848	3,692,074	307,673
88	Dec 2010	\$ (1,494,702)		(1,494,702)	27,128,846	12/09	7.23%	2,399,848	3,692,074	307,673

(Note) Amounts presented in bold italic type have changed since the April 14, 2007 supplemental filing.

Exhibit D: Regulatory Assets and Liabilities net of Accumulated Amortization and Deferred Taxes (PCA Periods)
2007 GRC

Ref	Description	12 Months Ended December 31		AMA Ratebase		PCA Period			Return	
		Balance		net of		A.T. %	Amount	Pre Tax	Monthly	
		Asset Amort	AA & ADFIT	Asset Amort	AA & ADFIT					
89	Dec 2010	\$ (1,494,702)	30,433,154	(1,494,702)	31,353,077	12/10	7.23%	2,266,827	3,487,427	290,619
90	Dec 2011	\$ (1,494,702)	28,593,308	(1,494,702)	29,513,231	12/11	7.23%	2,133,807	3,282,779	273,565
91										
92	Canwest Liability									
93	Beginning	\$ -	(977,293)	-	(1,317,326)	6/05	7.3%&7.01%	(62,513)	(96,174)	(8,014)
94	Dec 2004	\$ -	(977,293)	-	(977,293)					
95	Dec 2005	\$ 632,917	(6,170,942)	-	(5,538,025)					
96	Dec 2006	\$ 3,797,503	(3,702,565)	-	(904,938)					
97	Dec 2007	\$ 3,797,503	(1,234,188)	2,531,669	(5,490,031)	6/06	7.01%	(384,851)	(592,079)	(49,340)
98	Dec 2008	\$ 1,898,751	(0)	1,898,751	(4,319,660)	12/06	7.01%	(302,808)	(465,859)	(38,822)
99	Dec 2009	\$ -	-	3,797,503	(2,468,377)	12/07	7.01%&7.06%	(174,227)	(268,041)	(22,337)
100	Dec 2010	\$ -	-	1,898,751	(308,547)	12/08	7.06%&7.23%	(21,931)	(33,740)	(2,812)
101	Dec 2011	\$ -	-	-	-	12/09	7.23%	-	-	-
102										
103										
104	Hopkins Ridge Prepaid Transm (Notes 3/4)									
105	Beginning	\$ 10,750,000	10,750,000	-	-	6/05	7.3%&7.01%	-	-	-
106	Dec 2005	\$ -	10,750,000	-	-					
107	Dec 2006	\$ (1,872,029)	8,857,971	(367,909)	6,670,465	6/06	7.01%	467,600	719,384	59,949
108	Dec 2007	\$ (1,119,300)	7,220,062	(1,504,121)	9,365,525	12/06	7.01%	656,523	1,010,036	84,170
109	Dec 2008	\$ (1,928,714)	5,291,348	(1,119,300)	8,276,042	12/07	7.01%&7.06%	584,153	898,696	74,891
110	Dec 2009	\$ (2,056,243)	3,235,105	(1,928,714)	6,265,851	12/08	7.06%&7.23%	445,361	685,171	57,098
111	Dec 2010	\$ (2,191,619)	1,043,486	(2,056,243)	4,273,840	12/09	7.23%	308,999	475,383	39,615
112	Dec 2011	\$ (1,043,486)	(0)	(2,191,619)	2,150,783	12/10	7.23%	155,502	239,233	19,936
113	Dec 2012	\$ -	(0)	(1,043,486)	240,274	12/11	7.23%	17,372	26,726	2,227
114	Dec 2013	\$ -	(0)	-	(0)	12/12	7.23%	(0)	(0)	(0)
115										
116										
117	Hopkins Ridge Mitigation Credit									
118	Dec 2008	\$ (241,917)	(1,729,704)	(241,917)	(464,682)	12/08	7.06%&7.23%	(33,028)	(50,813)	(4,234)
119	Dec 2009	\$ (1,451,500)	(786,229)	(1,451,500)	(1,257,967)	12/09	7.23%	(90,951)	(139,925)	(11,660)
120	Dec 2010	\$ (1,209,583)	-	(1,209,583)	(327,595)	12/10	7.23%	(23,685)	(36,439)	(3,037)
121										
122										
123	Goldendale Fixed Cost Deferral									
124	Dec 2008	\$ (693,692)	7,665,053	(693,692)	7,812,600	12/08	7.06%&7.23%	555,300	854,308	71,192
125	Dec 2009	\$ (4,162,154)	4,959,653	(4,162,154)	6,312,353	12/09	7.23%	456,383	702,128	58,511
126	Dec 2010	\$ (4,162,154)	2,254,253	(4,162,154)	3,606,953	12/10	7.23%	260,783	401,204	33,434
127	Dec 2011	\$ (3,468,462)	0	(3,468,462)	939,180	12/11	7.23%	67,903	104,466	8,705
128										

(Note) Amounts presented in bold italic type have changed since the April 14, 2007 supplemental filing.

Exhibit D: Regulatory Assets and Liabilities net of Accumulated Amortization and Deferred Taxes (PCA Periods)
2007 GRC

Ref	12 Months Ended December 31			PCA Period				
	Balance net of AA & ADFIT	Asset Amort AA & ADFIT	AMA Ratebase net of AA & ADFIT	Asset Amort	AMA Ratebase as of	Return		
Description	AA & ADFIT	AA & ADFIT	AA & ADFIT	AA & ADFIT	AA & ADFIT	Amount	Pre Tax	Monthly
129								
130								
131								
132								
133								
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135								
136								
137								
138								
139								
140								
141								
142								
143								
144								
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146								
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148								
149								
150								
151								
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156								

6 Month Time Period

- Note (1)** Amounts in these columns are net of accumulated amortization AND the associated Deferred FIT liability / asset.
- Note (2)** During the 2004 General Rate Case filed under WUTC Docket No. UE-040640, et al., it was agreed that the return of the White River Relicensing costs would be delayed until the sale of White River is complete. At that time, the Commission can make a final determination in a separate proceeding regarding the application of the proceeds against the deferred costs and the disposition of any remaining balance.
- Note (3)** Because Hopkins Ridge Prepaid Transmission regulatory asset was projected to the entire 12 months of the rate year in UE-050870, a full year's return is allowed for PCA 4 when the Power Cost Baseline Rate is in effect from UE-050870.
- Note (4)** Asset amortization for the 12 months ending December 2006 is per the interim Hopkins Ridge amortization schedule. Asset amortization for the 6 months ending June 2006 is per the old Hopkins Ridge amortization schedule. Asset amortization for the 6 months ending December 2006 is the difference between the previous two.

(Note) Amounts presented in bold italic type have changed since the April 14, 2007 supplemental filing.