

**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	<u>OPERATING REVENUES:</u>					
2	SALES TO CUSTOMERS	\$ 1,785,744,016	\$ 50,510,969	\$ 1,836,254,985	\$ 130,179,688	\$ 1,966,434,673
3	SALES FROM RESALE-FIRM	374,331	(18,584)	355,747	102,391	458,138
4	SALES TO OTHER UTILITIES	268,574,887	(253,870,421)	14,704,466		14,704,466
5	OTHER OPERATING REVENUES	43,280,356	(5,132,604)	38,147,752	-	38,147,752
6	TOTAL OPERATING REVENUES	2,097,973,590	(208,510,640)	1,889,462,950	130,282,079	2,019,745,029
7						
8	<u>OPERATING REVENUE DEDUCTIONS:</u>					
9						
10	<u>POWER COSTS:</u>					
11	FUEL	\$ 118,473,661	\$ 58,046,925	\$ 176,520,586	\$ -	\$ 176,520,586
12	PURCHASED AND INTERCHANGED	1,017,118,800	(242,366,730)	774,752,070		774,752,070
13	WHEELING	65,628,548	3,995,502	69,624,050		69,624,050
14	RESIDENTIAL EXCHANGE	(84,819,852)	84,819,852	(0)		(0)
15	TOTAL PRODUCTION EXPENSES	1,116,401,157	(95,504,451)	1,020,896,706	-	1,020,896,706
16						
17	OTHER POWER SUPPLY EXPENSES	\$ 79,069,006	\$ 17,114,217	\$ 96,183,223	-	\$ 96,183,223
18	TRANSMISSION EXPENSE	6,532,375	2,035,273	8,567,648		8,567,648
19	DISTRIBUTION EXPENSE	67,507,444	156,852	67,664,296		67,664,296
20	CUSTOMER ACCOUNT EXPENSES	37,171,867	2,222,346	39,394,213	456,304	39,850,516
21	CUSTOMER SERVICE EXPENSES	9,736,024	(7,707,718)	2,028,306		2,028,306
22	CONSERVATION AMORTIZATION	32,494,479	(32,489,368)	5,111		5,111
23	ADMIN & GENERAL EXPENSE	76,980,894	4,745,335	81,726,229	260,564	81,986,794
24	DEPRECIATION	160,277,383	1,642,359	161,919,743		161,919,743
25	AMORTIZATION	30,986,683	1,945,772	32,932,455		32,932,455
26	AMORTIZ OF PROPERTY GAIN/LOSS	5,380,486	11,194,221	16,574,707		16,574,707
27	OTHER OPERATING EXPENSES	(11,616,918)	12,858,449	1,241,531		1,241,531
28	FAS 133	887,595	(887,595)	-		-
29	TAXES OTHER THAN INCOME TAXES	171,491,627	(55,855,523)	115,636,104	5,028,159	120,664,263
30	INCOME TAXES	(5,105,994)	(31,814,492)	(36,920,486)	43,587,967	6,667,481
31	DEFERRED INCOME TAXES	67,629,351	22,388,084	90,017,435		90,017,435
32	TOTAL OPERATING REV. DEDUCT.	\$ 1,845,823,459	\$ (147,956,237)	\$ 1,697,867,223	\$ 49,332,994	\$ 1,747,200,216
33						
34	NET OPERATING INCOME	\$ 252,150,131	(60,554,404)	191,595,727	80,949,085	272,544,813
35						
36	RATE BASE	\$ 3,189,766,299	\$ 113,807,234	\$ 3,303,573,534	-	\$ 3,303,573,534
37						
38	RATE OF RETURN	7.90%		5.80%		8.25%
39						
40	<u>RATE BASE:</u>					
41	GROSS UTILITY PLANT IN SERVICE	\$ 5,564,169,427	\$ 335,863,509	\$ 5,900,032,935		
42	ACCUM DEPR AND AMORT	(2,277,237,104)	(140,667,710)	(2,417,904,815)		
43	DEFERRED DEBITS	313,780,159	(67,581,957)	246,198,202		
44	DEFERRED TAXES	(432,609,629)	(13,806,607)	(446,416,236)		
45	ALLOWANCE FOR WORKING CAPITAL	95,445,435	-	95,445,435		
46	OTHER	(73,781,988)	-	(73,781,988)		
47	TOTAL RATE BASE	\$ 3,189,766,299	\$ 113,807,234	\$ 3,303,573,534		