

	<u>ACCOUNT</u>	<u>Type</u>	<u>TOTAL</u> <u>COMPANY</u>	<u>FACTOR</u>	<u>FACTOR %</u>	<u>WASHINGTON</u> <u>ALLOCATED</u>	<u>REF#</u>
Adjustment to Revenues:							
Temperature Adjustment (Type 1)							
Residential	440	1	(4,167,999)	WA	Situs	(4,167,999)	
Commercial	442	1	(1,350,807)	WA	Situs	(1,350,807)	
Industrial	442	1		WA	Situs	-	
Irrigation	442	1		WA	Situs	-	
Public St & Hwy	444	1		WA	Situs	-	
			<u>(5,518,806)</u>			<u>(5,518,806)</u>	3.1.1
Normalizing Adjustment (Type 1)							
Residential	440	1	9,093,566	WA	Situs	9,093,566	
Commercial	442	1	(820,467)	WA	Situs	(820,467)	
Industrial	442	1	(795,274)	WA	Situs	(795,274)	
Irrigation	442	1	810,878	WA	Situs	810,878	
Public St & Hwy	444	1	(12,827)	WA	Situs	(12,827)	
			<u>8,275,875</u>			<u>8,275,875</u>	3.1.1
Proforma Reduction in Load (Type 2)							
Residential	440	2	-	WA	Situs	-	
Commercial	442	2	-	WA	Situs	-	
Industrial	442	2	(609,055)	WA	Situs	(609,055)	
Irrigation	442	2	-	WA	Situs	-	
Public St & Hwy	444	2	-	WA	Situs	-	
			<u>(609,055)</u>			<u>(609,055)</u>	3.1.1
Annualized Price Change (Type 2)							
Residential	440	2	6,620,150	WA	Situs	6,620,150	
Commercial	442	2	4,519,544	WA	Situs	4,519,544	
Industrial	442	2	2,618,688	WA	Situs	2,618,688	
Irrigation	442	2	633,933	WA	Situs	633,933	
Public St & Hwy	444	2	68,380	WA	Situs	68,380	
			<u>14,460,695</u>			<u>14,460,695</u>	3.1.1
Total Adjustment to Booked Revenues			<u><u>16,608,709</u></u>			<u><u>16,608,709</u></u>	

Description of Adjustment

1 - This adjustment normalizes revenues by comparing actual loads to temperature normalized loads. Weather normalization reflects weather or temperature patterns which were measurably different than normal, as defined by using 30-year historical studies by the National Oceanic & Atmospheric Administration. Only residential and commercial sales are considered weather sensitive. Industrial sales are more sensitive to specific economic factors. This revenue adjustment corresponds with temperature adjustments made to system peak, energy loads and net power costs.

2- Included in test period revenues are a number of items that should not be included in regulatory results. These adjustments back out Schedule 98 (BPA credits) \$13,288,770, System Benefits Charge -\$5,399,226, Acquisition Commitment \$381,287, Centralia Refund \$457, Merger Credit revenues \$31 and out of period normalization items of \$4,557. This adjustment removes these revenues from regulatory results.

3 - A decrease of \$609,055 was annualized into regulatory results due to the reduction in revenue from the termination of service for the Centralia Plant.

4 - On June 21, 2007, the Company was granted a \$14,189,025 price increase in Washington in General Rate Case Docket No. UE-061546 that went into effect on June 27, 2007. Subsequently, a slight error was found in Staff calculation models that resulted in an additional price increase of approximately \$238,000 which slightly increased prices again on August 5, 2007. Therefore, it is necessary to annualize the effects of the June 27, 2007 price change into results for the 12 months ended June 30, 2007. Pro forma revenues to reflect forecast load through June 2008 can be found on page 3.6.

	<u>ACCOUNT</u>	<u>Type</u>	<u>TOTAL COMPANY</u>	<u>FACTOR</u>	<u>FACTOR %</u>	<u>WASHINGTON ALLOCATED</u>	<u>REF#</u>
Residential	440	1	901,279	CA	Situs	-	3.2.1
Residential	440	1	(206,419)	OR	Situs	-	3.2.1
Residential	440	1	(694,860)	WA	Situs	(694,860)	3.2.1
Residential	440	1	(0)	WY-All	Situs	-	3.2.1
Commercial / Industrial	442	1	4,151,029	CA	Situs	-	3.2.1
Commercial / Industrial	442	1	(3,286,029)	OR	Situs	-	3.2.1
Commercial / Industrial	442	1	(865,000)	WA	Situs	(865,000)	3.2.1
Commercial / Industrial	442	1	(0)	WY-All	Situs	-	3.2.1
Public Lighting	444	1	12,881	CA	Situs	-	3.2.1
Public Lighting	444	1	(12,837)	OR	Situs	-	3.2.1
Public Lighting	444	1	(45)	WA	Situs	(45)	3.2.1
			<u>(0)</u>			<u>(1,559,904)</u>	
Other Electric Revenues	456	1	751,190	UT	Situs	-	
Other Electric Revenues	456	1	100,241	CAGE	0.000%	-	
Other Electric Revenues	456	1	569	SO	7.068%	40	
Other Electric Revenues	456	1	(852,000)	OTHER	0.000%	-	
Other Electric Revenues	456	1	(7,537,250)	OR	Situs	-	
Other Electric Revenues	456	1	7,537,282	SG	8.035%	605,586	
Other Electric Revenues	456	1	(32)	OTHER	0.000%	-	
Other Electric Revenues	456	1	70	SG	8.035%	6	
Other Electric Revenues	456	1	(70)	OTHER	0.000%	-	
Other Electric Revenues	456	1	(2,303)	ID	Situs	-	
Other Electric Revenues	456	1	2,303	OTHER	0.000%	-	
Other Electric Revenues	456	1	(568,349)	WA	Situs	(568,349)	
Other Electric Revenues	456	1	568,349	OTHER	0.000%	-	
			<u>-</u>			<u>37,282</u>	3.2.3

Description of Adjustment

The Company has Profit Centers that cross state boundaries. This adjustment correctly assigns the allocation factors used in unadjusted data.

Also, this adjustment corrects the allocation code on several transactions where other electric revenues were assigned situs to individual states but should be assigned a system allocation code.

	<u>ACCOUNT</u>	<u>Type</u>	<u>TOTAL COMPANY</u>	<u>FACTOR</u>	<u>FACTOR %</u>	<u>WASHINGTON ALLOCATED</u>	<u>REF#</u>
Adjustment to Income:							
Gain from Sales of Allowances	4118	3	8,947,548	SE	7.909%	707,618	3.3.2
Allowed Gain from Sale of Allow.	4118	3	<u>(696,987)</u>	WA	Situs	<u>(696,987)</u>	3.3.2
			<u>8,250,561</u>			<u>10,631</u>	
Adjustment to Rate Base:							
Regulatory Deferred Sales	25398	3	<u>(5,854,330)</u>	WA	Situs	<u>(5,854,330)</u>	3.3.2
			<u>(5,854,330)</u>			<u>(5,854,330)</u>	

Description of Adjustment

This adjustment includes sales of emission allowances through June 2008 to reflect a 15 year amortization as approved in UE 94-0947. Washington's share of emission allowance sales is based on allowances provided by the Jim Bridger and Colstrip generation plants.

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Adjustment to Operating Income:							
Other Electric Revenues	456	1	(2,624,608)	WRG	6.854%	(179,888)	3.4.2
Other Electric Revenues	456	2	801,900	WRG	6.854%	54,961	3.4.2
Other Electric Revenues	456	3	11,493,747	WRG	6.854%	787,768	3.4.2
			<u>9,671,039</u>			<u>662,842</u>	

Adjustment Detail:

Actual Wheeling Revenues	54,174,127
Total Adjustments	9,671,039
Normalized Wheeling Revenues	<u>63,845,166</u>
	<u>127,690,332</u>

Description of Adjustment

During the twelve months ended June 2007, there were various transactions regarding wheeling revenues that the Company does not expect to occur in the twelve months ended June 2008. These transactions relate to prior period adjustments and contract terminations. This adjustment also includes proforma wheeling revenues for the 12 months ended June 2008.

	<u>ACCOUNT</u>	<u>Type</u>	<u>TOTAL COMPANY</u>	<u>FACTOR</u>	<u>FACTOR %</u>	<u>WASHINGTON ALLOCATED</u>	<u>REF#</u>
Adjustment to Revenues:							
Reverse Booked Entry	456	3	(2,818,613)	CAGW	21.179%	(596,953)	3.5.1
Forecast Sales - Wind	456	3	408,715	WA	Situs	408,715	3.5.1
Forecast Sales - SRP IF s322940	456	3	167,539	WA	Situs	167,539	3.5.1
			<u>576,254</u>			<u>576,254</u>	

Description of Adjustment

A market for Green tags or Renewable Energy Credits is developing where the tag or "Green" traits of qualifying power production facilities can be detached and sold separately from the power itself. These green tags or credits are applied to help states with Renewable Portfolio Standards (RPS) meet those goals. Each state with a RPS defines which resources qualify in meeting its RPS. For this analysis we are using wind generation and an existing contract from small hydro facilities. This adjustment relies on GRID to forecast the total MWH production from wind resources. California and Oregon's share (based on the CAGW factor) are "banked" rather than sold. The Company has assumed that it will be able to sell seventy-five percent of the remaining tags. Historically the Company has received around \$3.50 per tag. This adjustment utilizes these assumptions to impute green tag revenues and include them in results.

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Adjustment to Revenues:							
1 - Sales for Resale	447	3	25,576,728	CAGW	21.179%	5,416,887	
Miscellaneous Service Revenues	451	3	767	SO	7.068%	54	
Rent from Electric Property	454	3	32,554	CAGW	21.179%	6,895	
Rent from Electric Property	454	3	15	JBG	20.285%	3	
Rent from Electric Property	454	3	29,137	SG	8.035%	2,341	
Rent from Electric Property	454	3	15,918	SO	7.068%	1,125	
Other Electric Revenues	456	3	693,562	CAGW	21.179%	146,889	
Other Electric Revenues	456	3	6,912	SO	7.068%	489	
Other Electric Revenues	456	3	141,089	SG	8.035%	11,336	
Other Electric Revenues	456	3	89,583	JBG	20.285%	18,172	
Other Electric Revenues	456	3	343,970	WRG	6.854%	23,575	
Other Electric Revenues	456	3	(4,739)	WRE	6.929%	(328)	
			<u>26,925,495</u>			<u>5,627,438</u>	Below
2 - Forecast Revenue Chance (Type 3)							
Residential	440	3	824,048	WA	Situs	824,048	
Commercial	442	3	1,033,606	WA	Situs	1,033,606	
Industrial	442	3	1,827,099	WA	Situs	1,827,099	
Irrigation	442	3	(963,260)	WA	Situs	(963,260)	
Public St & Hwy	444	3	(6,112)	WA	Situs	(6,112)	
			<u>2,715,381</u>			<u>2,715,381</u>	3.1.1

Description of Adjustment

1 - This adjusts revenues to reflect the use of pro forma allocation factors in this filing. Pro forma factors are developed using forecasted load consistent with the net power cost study and pro forma electric plant in service.

2 - This normalizes the price increase referenced on page 3.1 for load increases through June 2008.

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Adjustment to Revenue:							

Description of Adjustment

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Adjustment to Operating Income							

Description of Adjustment

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Adjustment to Income							

Description of Adjustment

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Adjustment to Revenue							

Description of Adjustment

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Adjustment to Revenue							

Description of Adjustment

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Adjustment to Revenue							

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Adjustment to Revenue							

Description of Adjustment

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Adjustment to Revenue							

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Adjustment to Revenue							

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Adjustment to Revenue							

Description of Adjustment

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Adjustment to Revenue							

Description of Adjustment

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Adjustment to Revenue							

Description of Adjustment

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Adjustment to Revenue							

Description of Adjustment

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Adjustment to Revenue							

Description of Adjustment

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Adjustment to Revenue							

Description of Adjustment

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Adjustment to Revenue							

Description of Adjustment

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Adjustment to Revenue							

Description of Adjustment

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Adjustment to Revenue							

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Adjustment to Revenue							

Description of Adjustment