

**EXHIBIT NO. ___(JHS-3)
DOCKET NO. UE-09___/UG-09___
2009 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-09___
Docket No. UG-09___**

**SECOND EXHIBIT (NONCONFIDENTIAL) TO THE
PREFILED DIRECT TESTIMONY OF
JOHN H. STORY
ON BEHALF OF PUGET SOUND ENERGY, INC.**

MAY 8, 2009

**PUGET SOUND ENERGY
INCOME STATEMENT**

For The Twelve Months Ended September 30, 2007 and December 31, 2008

	WUTC Docket No. UE-072300 Actual Results of Operation 9/30/07	WUTC Docket No. UE-09____ Actual Results of Operation 12/31/08
	Total Electric	Total Electric
1 - OPERATING REVENUES:		
2 - SALES TO CUSTOMERS AND TRANSMISSION	\$ 1,785,744,016	\$ 1,988,945,644
3 - SALES FOR RESALE-FIRM	374,331	369,320
4 - SALES TO OTHER UTILITIES	268,574,887	173,342,971
5 - OTHER OPERATING REVENUES	43,280,356	55,432,486
6 - TOTAL OPERATING REVENUES	\$ 2,097,973,590	\$ 2,218,090,420
7		
8 - OPERATING REVENUE DEDUCTIONS:		
9		
10 - POWER / GAS COST:		
11 - FUEL	118,473,661	212,332,676
12 - PURCHASED AND INTERCHANGED	1,017,118,800	920,346,551
13 - WHEELING	65,628,548	70,713,346
14 - RESIDENTIAL EXCHANGE	(84,819,852)	(40,663,861)
15 - TOTAL PRODUCTION EXPENSES	\$ 1,116,401,157	\$ 1,162,728,712
16		
17 - OTHER ENERGY SUPPLY EXPENSES:	79,069,006	102,819,798
18 - TRANSMISSION EXPENSE	6,532,375	9,234,124
19 - DISTRIBUTION EXPENSE	67,507,444	76,776,331
20 - CUSTOMER ACCTS EXPENSES	37,171,867	43,145,324
21 - CUSTOMER SERVICE EXPENSES	9,736,024	10,019,493
22 - CONSERVATION AMORTIZATION	32,494,479	53,980,110
23 - ADMIN & GENERAL EXPENSE	76,980,894	89,418,696
24 - DEPRECIATION	160,277,383	173,307,040
25 - AMORTIZATION	30,986,683	34,012,299
26 - AMORTIZ OF PROPERTY LOSS	5,380,486	6,493,409
27 - OTHER OPERATING EXPENSES	(11,616,918)	(483,686)
28 - FAS 133	887,595	7,537,999
29 - TAXES OTHER THAN INCOME TAXES	171,491,627	188,816,369
30 - INCOME TAXES	(5,105,994)	4,629,482
31 - DEFERRED INCOME TAXES	67,629,351	30,323,152
32 - TOTAL OPERATING REV. DEDUCT.	\$ 1,845,823,459	\$ 1,992,758,652
33		
34 - NET OPERATING INCOME	\$ 252,150,131	\$ 225,331,768
35		
36 - RATE BASE	\$ 3,189,416,474	\$ 3,462,284,719
37		
38 - RATE OF RETURN	7.91%	6.51%

PUGET SOUND ENERGY
BALANCE SHEET
September 30, 2007 and December 31, 2008

FERC Account and Description	Sep-07	Sept-07 AMA	Dec-08	Dec-08 AMA
*ASSETS				
**UTILITY PLANT				
***Electric Plant				
101 Electric Plant in Service	5,502,952,632	5,230,171,776	6,048,482,343	5,719,028,068
101.1 Property Under Capital Leases	22,881,587	16,248,974	69,911,858	24,722,124
102 Electric Plant Purchased or Sold	-	(12,153,779)	-	(1,389,543)
105 Electric Plant Held for Future Use	8,480,844	8,390,149	16,765,058	14,617,009
106 Comp.Construction Not Classfd.-Electric	-	-	58,874,298	78,711,148
107 Construction Work in Prog. - Electric	229,102,241	235,649,245	173,554,075	187,899,782
114 Electric Plant Acquisition Adjustments	77,871,127	77,871,127	228,771,745	84,158,653
***Total Electric Plant	5,841,288,432	5,556,177,493	6,596,359,376	6,107,747,241
***Gas Plant				
101 Gas Plant in Service	2,197,462,687	2,123,370,167	2,381,048,218	2,288,973,795
105 Gas Plant Held for Future Use	64,439	64,439	64,439	64,439
106 Comp. Construction Not Classfd.- Gas	-	-	65,726,596	39,275,309
107 Construction Work in Progress - Gas	66,853,572	55,369,822	46,359,520	61,260,783
117.3 Gas Strd.in Resrv.& Pipln.-Noncurr.	6,137,783	5,771,153	7,036,931	6,692,694
***Total Gas Plant	2,270,518,482	2,184,575,581	2,500,235,704	2,396,267,020
***Common Plant				
101 Plant in Service - Common	474,791,599	450,069,920	513,616,774	489,348,331
106 Comp Construction Not Classified - Common	-	-	1,451,001	2,209,322
107 Construction Work in Progress - Common	7,582,566	15,138,413	35,300,052	31,851,300
***Total Common Plant	482,374,164	465,208,333	550,367,827	523,408,953
***Accumulated Depreciation and Amortization				
108 Accumulated Provision for Depreciation	(2,938,265,383)	(2,787,864,516)	(3,193,189,220)	(3,072,588,827)
111 Accumulated Provision for Amortization	(227,326,793)	(208,076,914)	(281,038,245)	(259,068,828)
115 Accm.Priv.for Amort.of Plant Acquis.Adj.	(37,526,552)	(36,181,602)	(41,258,757)	(39,559,386)
***Less: Accumulated Depr and Amortizat	(3,203,118,728)	(3,032,123,032)	(3,515,486,222)	(3,371,217,041)
**NET UTILITY PLANT	5,391,062,349	5,173,838,374	6,131,476,685	5,656,206,174
**OTHER PROPERTY AND INVESTMENTS				
***Other Investments				
121 Nonutility Property	3,138,905	3,044,867	1,743,539	2,744,023
122 Accm.Prov.for Depr.& Amort.Non-utility P	(445,522)	(445,522)	(446,721)	(446,394)
123.1 Investment in Subsidiary Companies	65,544,371	62,632,927	54,941,378	56,141,997
124 Other Investments	60,599,235	57,663,645	66,588,134	62,873,953
***Total Other Investments	128,836,989	122,895,917	122,826,330	121,313,578
**TOTAL OTHER PROPERTY AND INVESTMENT	128,836,989	122,895,917	122,826,330	121,313,578
**CURRENT ASSETS				
***Cash				
131 Cash	186,761	2,929,229	4,266,107	2,710,857
134 Other Special Deposits	2,476,813	2,149,990	18,079,011	11,809,988
135 Working Funds	2,370,320	2,513,265	2,840,964	2,767,911
136 Temporary Cash Investments	2,637,717	8,643,238	19,912,977	46,593,008
***Total Cash	7,671,611	16,235,722	45,099,060	63,881,763
***Restricted Cash				
***Total Restricted Cash	-	-	-	-
***Accounts Receivable				
141 Notes Receivable	3,173,323	2,453,009	4,856,611	3,772,361
142 Customer Accounts Receivable	131,595,865	199,013,378	265,885,158	199,881,624
143 Other Accounts Receivable	115,855,747	101,344,200	97,238,297	111,236,511
146 Accounts Receiv.from Assoc. Companies	298,072	274,461	4,253,162	3,122,110
171 Interest and Dividends Receivable	1,275	651	101	459
173 Accrued Utility Revenues	115,237,544	140,050,394	248,648,600	151,677,365
185 Temporary Facilities	(436,423)	(339,476)	(181,738)	(275,805)
191 Unrecovered Purchased Gas Costs	(61,157,957)	(141,199)	(8,891,908)	(40,067,601)
***Total Accounts Receivable	304,567,445	442,655,417	611,808,282	429,347,024
***Allowance for Doubtful Accounts				
144 Accm.Prov.for Uncollectible Accts-Credit	(1,811,378)	(1,385,116)	(1,473,346)	(1,951,728)
***Less: Allowance for Doubtful Accounts	(1,811,378)	(1,385,116)	(1,473,346)	(1,951,728)

PUGET SOUND ENERGY
BALANCE SHEET
September 30, 2007 and December 31, 2008

FERC Account and Description	Sep-07	Sept-07 AMA	Dec-08	Dec-08 AMA
***Materials and Supplies				
151 Fuel Stock	7,265,263	7,730,850	13,057,562	9,635,340
154 Plant Materials and Operating Supplies	58,567,811	49,269,603	58,571,047	57,734,271
163 Stores Expense Undistributed	2,631,440	2,273,435	3,453,134	3,403,563
164.1 Gas Stored - Current	108,863,763	87,647,515	106,543,193	82,122,693
164.2 Liquefied Natural Gas Stored	667,967	653,880	603,868	646,169
***Total Materials and Supplies	177,996,244	147,575,283	182,228,805	153,542,036
***Unrealized Gain-Derivative Instrumnts (ST)				
175 Invest in Derivative Instrumnts -Opt ST	231,815	405,473	15,565,520	45,803,773
176 Invest in Derivative Instrumnts-Gain ST	12,291,619	20,560,916	52,883	47,622,024
***Unrealized Gain on Derivatives (ST)	12,523,434	20,966,389	15,618,403	93,425,797
***Prepayments and Other Current Assets				
165 Prepayments	8,227,582	9,045,343	13,957,869	12,364,456
174 Misc.Current and Accrued Assets	16,292,762	3,894,022	-	3,747,044
186 Miscellaneous Deferred Debits	10,132	6,475	8,751	7,810
***Total Prepayments & Othr.Curr.Assets	24,530,476	12,945,840	13,966,620	16,119,310
Current Deferred Taxes				
Total Current Deferred Taxes	6,049,009	1,508,162	9,439,050	(5,412,710)
**TOTAL CURRENT ASSETS	531,526,842	640,501,697	876,686,874	748,951,493
**LONG-TERM ASSETS				
128 Pension Assets	-	-	-	120,225,730
165 Long-Term Prepaid	5,000,000	2,708,333	7,466,344	5,322,714
175 Invest in Derivative Instrumnts -Opt LT	-	-	6,295,402	17,576,278
176 Invest in Derivative Instrumnts-Gain LT	31,891	5,116,921	416,171	47,891,463
181 Unamortized Debt Expense	25,796,188	23,804,487	23,449,157	24,308,068
182.1 Extraordinary Property Losses	115,279,883	94,478,118	120,104,230	122,821,460
182.2 Unrecovered Plant & Reg Study Costs	42,238,442	43,007,057	40,316,907	41,085,521
Subtotal WUTC AFUDC	35,305,284	7,296,300	42,822,914	39,413,840
182.3 Other Regulatory Assets	512,210,531	526,016,855	448,179,447	469,203,173
183 Prelm. Survey and Investigation Charges	814,255	713,292	1,672,916	1,006,718
184 Clearing Accounts	(3,097,511)	(142,202)	280,246	746,577
186 Miscellaneous Deferred Debits	179,141,202	196,904,896	336,133,817	39,791,822
187 Def.Losses from Dispos.of Utility Plant	1,848,080	2,222,956	934,518	1,263,375
189 Unamortized Loss on Reacquired Debt	22,317,897	21,547,656	20,774,179	21,391,666
**TOTAL LONG-TERM ASSETS	936,886,141	923,674,670	1,048,846,250	952,048,404
*TOTAL ASSETS	\$ 6,988,312,322	\$ 6,860,910,658	\$ 8,179,836,139	\$ 7,478,519,649
*CAPITALIZATION AND LIABILITIES				
**CURRENT LIABILITIES				
230 Asset Retirement Obligations	(2,305,000)	(2,120,268)	(1,456,717)	(1,067,090)
244 FAS 133 Opt Unrealized Loss ST	(904,104)	(487,493)	(151,546,566)	(38,224,376)
245 FAS 133 Unrealized Loss ST	(55,764,225)	(49,489,912)	(85,319,254)	(16,381,120)
231 Notes Payable	(378,039,000)	(348,099,458)	(964,700,000)	(350,100,917)
232 Accounts Payable	(256,108,243)	(272,714,603)	(369,164,027)	(286,886,366)
233 Notes Payable to Associated Companies	(24,282,078)	(24,305,264)	(26,053,395)	(25,135,076)
234 Accounts Payable to Asscted Companies	(1,113,828)	(1,511,318)	(4,833,330)	(1,834,011)
235 Customer Deposits	(21,683,576)	(19,963,145)	(22,884,889)	(22,116,941)
236 Taxes Accrued	(24,562,129)	(55,640,970)	(66,771,552)	(61,825,330)
237 Interest Accrued	(57,279,930)	(51,848,432)	(36,112,295)	(54,997,240)
241 Tax Collections Payable	(47,786)	(2,573,954)	(2,162,493)	(1,818,897)
242 Misc. Current and Accrued Liabilities	(11,869,671)	(10,610,561)	(14,626,783)	(15,427,260)
243 Obligations Under Cap.Leases - Current	(83,855)	(956,772)	(68,586,141)	(21,871,623)
**TOTAL CURRENT LIABILITIES	(834,043,427)	(840,322,150)	(1,814,217,441)	(897,686,245)
**DEFERRED TAXES				
***Reg. Liability for Def.Income Tax				
253 Other Deferred Credits	(100,000)	(100,000)	-	(44,443)
283 Accum.Deferred Income Taxes - Other	(81,260,689)	(87,284,814)	(89,053,132)	(91,816,620)
***Total Reg.Liab.for Def.Income Tax	(81,360,689)	(87,384,814)	(89,053,132)	(91,861,063)
***Deferred Income Tax				
190 Accum.Deferred Income Taxes	159,193,686	141,196,858	322,941,911	181,676,251
255 Accum.Deferred Investment Tax Credits	(1,438,711)	(1,600,609)	(667,966)	(1,059,332)
282 Accum. Def. Income Taxes - Other Prop.	(665,689,824)	(630,981,943)	(832,014,769)	(757,251,239)
283 Accum.Deferred Income Taxes - Other	(188,205,090)	(175,963,766)	(151,526,078)	(192,093,141)
***Total Deferred Income Tax	(696,139,938)	(667,349,460)	(661,266,901)	(768,727,461)
**TOTAL DEFERRED TAXES	(777,500,627)	(754,734,274)	(750,320,033)	(860,588,524)

PUGET SOUND ENERGY
BALANCE SHEET
September 30, 2007 and December 31, 2008

FERC Account and Description	Sep-07	Sept-07 AMA	Dec-08	Dec-08 AMA
**OTHER DEFERRED CREDITS				
Subtotal 227 Oblig Under Cap Lease - Noncurr	(22,825,683)	(19,163,192)	-	(2,842,400)
Total Unrealized Loss on Derivatives -LT	(9,064,762)	(974,992)	(158,422,984)	(26,844,931)
228.2 Accum. Prov.for Injuries and Damages	(500,000)	(1,028,553)	(2,650,000)	(1,419,191)
228.3 Pension and Post Retirement Liabilities	-	-	(116,686,929)	(45,622,010)
228.4 Accum. Misc.Operating Provisions	(34,083,640)	(34,626,289)	(49,278,785)	(43,523,139)
230 Asset Retirement Obligations (FAS 143)	(26,055,931)	(26,339,915)	(28,203,821)	(29,134,669)
252 Customer Advances for Construction	(96,217,305)	(84,467,595)	(100,546,771)	(100,888,586)
253 Other Deferred Credits	(135,657,554)	(132,890,830)	(172,861,169)	(108,161,854)
254 Other Regulatory Liabilities	(52,009,730)	(57,128,085)	(54,245,235)	(42,108,334)
256 Def. Gains from Dispos.of Utility Plt	(2,587,533)	(2,786,328)	(2,215,342)	(2,546,759)
257 Unamortized Gain on Reacquired Debt	(403,324)	(463,823)	(252,078)	(312,576)
**TOTAL OTHER DEFERRED CREDITS	(379,405,462)	(359,869,600)	(685,363,115)	(403,404,450)
**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	(530,525,795)	(526,972,260)	(824,996,420)	(824,213,144)
214 Capital Stock Expense	7,133,879	7,133,879	7,133,879	7,133,879
215 Appropriated Retained Earnings	(7,823,240)	(7,738,630)	(8,312,487)	(8,054,093)
216 Unappropriated Retained Earnings	(275,841,204)	(258,643,671)	(360,595,580)	(356,247,978)
216.1 Unappr.Undistrib.Subsidiary Earnings	20,459,999	22,706,936	23,010,728	21,850,269
219 Other Comprehensive Income	36,711,276	23,403,480	262,803,989	(29,725,402)
433 Balance Transferred from Income	(129,180,705)	(110,478,472)	(162,735,519)	(108,509,177)
438 Dividends Declared - Common Stock	79,135,870	58,359,909	145,840,137	83,498,785
439 Adjustments to Retained Earnings	-	-	5,848,610	4,630,150
****Total Common Equity	(2,137,113,406)	(2,129,412,317)	(2,249,186,150)	(2,546,820,197)
***TOTAL SHAREHOLDER'S EQUITY	(2,137,113,406)	(2,129,412,317)	(2,249,186,150)	(2,546,820,197)
***REDEEMABLE SECURITIES AND LONG-TERM DEBT				
****Preferred Stock - Mandatorily 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	-	(26,739,583)	-	-
****Corporation Obligated, Mand Redeem	-	(26,739,583)	-	-
****Long-term Debt				
221 Bonds	(2,858,360,000)	(2,747,943,333)	(2,428,860,000)	(2,528,547,500)
221 Junior Subordinated Debt	-	-	(250,000,000)	(239,583,333)
Long-term Debt	(2,858,360,000)	(2,747,943,333)	(2,678,860,000)	(2,768,130,833)
****Long-term Debt	(2,858,360,000)	(2,747,943,333)	(2,678,860,000)	(2,768,130,833)
***REDEEMABLE SECURITIES AND LTD	(2,860,249,400)	(2,776,572,317)	(2,680,749,400)	(2,770,020,233)
**TOTAL CAPITALIZATION	(4,997,362,806)	(4,905,984,634)	(4,929,935,550)	(5,316,840,430)
*TOTAL CAPITALIZATION AND LIABILITIES	\$ (6,988,312,322)	\$ (6,860,910,658)	\$ (8,179,836,139)	\$ (7,478,519,649)

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

Puget Sound Energy
Electric Rate Base

Electric 64.62%
 Gas 35.38%

			AMA
			13 Months Ended
			12/31/08
1	Account	Description	
3		Rate Base	
4	101 / 102 / 230XXX1	Electric Plant in Service	\$ 5,696,007,913
5	101 / 253XXX3	Common Plant-Allocation to Electric	308,651,602
6	114XXX1	Electric Plant Aquisition Adjustment	84,158,653
6a	18230001	Tenaska	124,973,754
6b	18230171	Cabot	352,508
6c	1822XXX1	White River Deferred Plant Costs	41,085,521
6d	1823XXX1	White River Deferred Relicensing & CWIP	22,072,347
6e	14300061 & 25400021	Net Regulatory Liability - Canwest	(474,682)
6f	18230231 \ 18230371	Hopkins Ridge BPA Transmission	6,017,545
6g	25300831	Hopkins II Wake Effect Settlement	(1,068,465)
6h	18230381 \ 18230391	Goldendale Deferral -UE-070533	12,019,763
6i	18600351,61,71,81	Mint Farm Deferral	126,491
7	18230041	Colstrip Common FERC Adj - Reg Asset	21,589,277
8	18230051	Accum Amortization Colstrip-Common FERC	(12,394,441)
9	18230061	Colstrip Def Depr FERC Adj - Reg	2,218,675
10	18230071	BPA Power Exch Invstmt - Reg Asset	113,632,921
11	18230081	BPA Power Exch Inv Amortization - Reg Asset	(81,893,433)
12	18230031	Electric - Def AFUDC - Regulatory Asset	35,858,600
13	18601051	Capitalized OH - Elec	2,633,392
14	10500001	Electric - Plant Held for Future Use	14,617,009
15	10500003	Common Plant Held for Fut Use-Alloc to Electric	-
16	10605001	Electric - Const Completed Non Classified	78,711,148
16a	10600003	Common - Const Completed Non Classified	1,427,664
17	108XXX1	Elec-Accum Depreciation	(2,307,531,209)
18	108XXX3	Common Accum Depr-Allocation to Electric	(22,470,822)
19	111XXX1	Elec-Accum Amortization	(9,973,002)
20	11100003	Common Accum Amort-Allocation to Electric	(154,235,775)
21	115XXX1	Accum Amort Acq Adj - Electric	(39,559,386)
22	18230221	Accum Unamort Consvr Costs	-
23	19000041	CIAC after 10/8/76 - Accum Def Income Tax	10,958
24	19000051	CIAC - 1986 Changes - Accum Def Income Tax	-
25	19000061	CIAC - 7/1/87 - Accum Def Income Tax	78,708,749
26	19000093	Vacation Pay - Accum Def Inc Taxes	-
26a	19000121	Cabot Gas Contract - Accum Def Inc Taxe	120,250
26b	19000151	DFIT - Westcoast Capacity Assignment - Electric	51,458
27	19000191	RB-Consv Pre91 Tax Settlmt - Accum Def Inc Tax	-
27.1	19000701	DFIT SSCM INT-ELEC	897,536

Puget Sound Energy
Electric Rate Base

Electric 64.62%
 Gas 35.38%

			AMA
			13 Months Ended
			12/31/08
1	Account	Description	
28	235XXXX1	Customer Deposits - Electric	(15,143,164)
29	25400081	Residential Exchange	-
29.1	25300601	Other Def CR- Non-Core Gas-Pipeline Cap	(764,730)
30	252XXXX1	Cust Advances for Construction	(73,838,784)
31	28200101	Major Projects - Property Tax Expense	(2,571,208)
32	28200111	Def Inc Tax - Pre 1981 Additions	(4,147,369)
33	28200121, 161/28300341	Def Inc Tax - Post 1980 Additions	(555,703,872)
34	28200131	Colstrip 3 & 4 Deferred Inc Tax	(708,208)
35	28200141	Excess Def Taxes - Centralia Sale	-
35-1	28200151	Def FIT Indirect Cost Adj - Electric	-
35a	283XXXXX	Electric Portion of Common Deferred Taxes	(11,629,942)
36	28300161	Def Inc Tax - Energy Conservation & FAS 133	-
37	28300261	Def FIT Bond Redemption Costs	-
37a	28300451	Accum Def Inc Tax - Tenaska Purchase	(6,807,667)
37b	28300461	Accum Def Inc Tax - Cabot Gas Contract	(112,333)
37c	19000021/28300011	Def FIT - White River Water Right	(2,244,021)
37d	19000451	Deferred FIT - Canwest Gas Supply - Ele	154,750
37e	28300431	Deferred Taxes WNP#3	(10,025,293)
37f	19000441/561	Deferred FIT ARO	2,725,801
37g	19000553	Common DFIT Summit Purchase Opt Buyout - Elec	30,371
37h	19000561	Def FIT - Wind Loss Settlement Agreemen	292,792
37i	28300541 \ 28300551	DFIT Goldendale Deferral -UE-070533	(4,239,167)
38	124001X1	Conservation Rate Base	-
39	18230181	1995 Conservation Trust Rate Base	-
40			
41	Working Capital- Rate Base		130,674,248
42	Rate Base		3,462,284,719
43			
44	Electric Rate Base Change		\$ 3,462,284,719
45			
46	Gross Utility Plant in Service	Lines 4-6 & 14-16	6,183,573,988
47	Less Accum Dep and Amort	Lines 17-21	(2,533,770,195)
48	Deferred Debits	Lines 6a-12 & 22	286,749,772
49	Deferred Taxes	Lines 23-27 & 31-37	(515,196,416)
50	Conservation Trust	Lines 39-40	-
51	Allowance for Working Capital	Line 41	130,674,248
52	Customer Deposits/Advances	Lines 28-30	(89,746,678)
53	Total Rate Base		3,462,284,719

Puget Sound Energy
Combined Working Capital
For the Twelve Month Period Ended December 31, 2008

Line No.	Description	31-Dec-08	
		AMA	Notes
1	Average Invested Capital		
2	Common Stock	859,037,900	
3	Preferred Stock	-	
4	Additional Paid in Capital	1,291,464,743	
5	Unamortized Debt Expense	(24,308,068)	
6	Unappropriated Retained Earnings	358,789,938	
7	Notes Payable - Misc	-	
8	Long Term Debt	2,770,020,233	
9	Short Term Debt	375,235,993	
10	Accumulated Deferred ITC	1,059,331	
11	Deferred Debits-Other	(53,736)	
12	Unamortized Gain/Loss on Debt	(21,079,090)	
13		-	
14	Total Average Invested Capital	5,610,167,244	
15			
16	Average Operating Investments - Electric		
17			
18	Plant in Service (includes acquisition adj)	5,858,612,136	
19	Electric Future Use Property	14,617,009	
20	Customer Advances for Construction	(73,838,784)	
21	Customer Deposits	(15,143,164)	
22	Deferred Taxes	(493,976,058)	
23	Deferred Debits - Other	428,348,457	
24	Less: Accumulated Depreciation	(2,354,960,711)	
25	Conservation Investment	-	
26	Common Plant-Allocation to Electric	310,057,632	
27	Common Accum Depr-Allocation to Electric	(176,713,714)	
28	Common Deferred Taxes-Allocation to Electric	(16,707,772)	
29			
30	Total Average Operating Investment - Electric	3,480,295,031	

Puget Sound Energy
Combined Working Capital
For the Twelve Month Period Ended December 31, 2008

Line No.	Description	31-Dec-08 AMA	Notes
31			
32	Average Operating Investments - Gas		
33			
34	Gas Utility Plant in Service	2,320,065,833	
35	Deferred Items - Other	19,031,550	
36	Gas Stored Underground, Non-Current	6,692,694	
37	Gas Accumulated Depreciation	(740,571,678)	
38	Gas Customer Advances for Construction	(27,094,246)	
39	DFIT 17	(204,417,619)	
40	PGA	(40,067,601)	
41	Common Plant-Allocation to Gas	169,759,193	
42	Common Deferred Tax	(9,147,647)	
43	Common Accumulated Depreciation-Allocation	(96,752,263)	
44			
45	Total Average Operating Investment - Gas	<u>1,397,498,216</u>	
46			
47	Total Electric & Gas Operating Investment	<u><u>4,877,793,247</u></u>	
48			
49	Construction Work in Progress		
50			
51	Elec Construction Work in Process	208,482,092	
52	Gas Construction Work in Process	72,529,772	
53	Other Work in Process	2,405,366	
54	Electric Preliminary Surveys	1,006,718	
55	Total Construction Work in Progress	<u>284,423,948</u>	
56			
57	Nonoperating		
58			
59	Non-Utility Property	12,351,262	
60	Investment in Associated Companies	424,590,279	
61	Other Investments & FAS 133	(283,436,064)	
62	Deferred Items-Other	264,690,414	
63	Deferred Federal Income Tax	(98,288,077)	
55	Environmental Receivables	(67,392,847)	
56	Current Accounts - Gas Allocation only	1,290	
57	Merchandising Inventory - Gas Only	<u>80,351</u>	
58	Total Non Operating Investment	<u>252,596,608</u>	
59			
60	Total CWIP & Nonoperating Investment	537,020,556	
61			
62	Total Average Investments	<u>5,414,813,803</u>	
63	Rounding		
64	Total Investor Supplied Capital	<u><u>195,353,441</u></u>	
65			
66			

**Puget Sound Energy
Combined Working Capital
For the Twelve Month Period Ended December 31, 2008**

Line No.	Description	31-Dec-08	
		AMA	Notes
67			
Allocation of Working Capital			
69	Electric Working Capital		
70	Total Investment	5,414,813,803	
71	Less: Electric CWIP	(208,482,092)	
72	Interest Bearing Regulatory Assets		
73	Other Work in Progress	(2,405,366)	
74	Preliminary Surveys	(1,006,718)	
75	Total	<u>5,202,919,627</u>	
76			
77	Electric Working Capital Ratio	3.7547%	(195,353,441 / 5,202,919,627)
78			
79	Electric Working Capital	130,674,248	(0.037547* 3,480,295,031)
80			
81	Gas Working Capital		
82	Total Investment	5,414,813,803	
83	Less: Gas CWIP	(72,529,772)	
84	Total	<u>5,342,284,031</u>	
85			
86	Gas Working Capital Ratio	3.6567%	(195,353,441 / 5,342,284,031)
87			
88	Gas Working Capital	51,102,877	(0.0366* 1,397,498,216)
89			
90	Non Operating Working Capital	13,576,316	(195,353,441- 130,674,248-51,102,877)
91			
92		Allocation factor	
93	Electric	64.62%	
94	Gas	35.38%	

PUGET SOUND ENERGY-ELECTRIC & GAS
GENERAL RATE INCREASE
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2008
ALLOCATION METHODS

Method	Description		Electric	Gas	Total
1	* <u>12 Month Average Number of Customers</u>	12/31/2008	1,063,954	737,851	1,801,805
	Percent		59.05%	40.95%	100.00%
2	* <u>Joint Meter Reading Customers</u>	12/31/2008	688,992	395,536	1,084,528
	Percent		63.53%	36.47%	100.00%
3	* <u>Non-Production Plant</u>				
	Distribution	12/31/2008	\$ 3,136,327,552	\$ 2,219,008,985	\$ 5,355,336,537
	Transmission	12/31/2008	341,902,139	-	341,902,139
	Direct General Plant	12/31/2008	144,259,073	48,833,233	193,092,306
	Total		\$ 3,622,488,764	\$ 2,267,842,218	\$ 5,890,330,982
	Percent		61.50%	38.50%	100.00%
4	* <u>4-Factor Allocator</u>				
	Number of Customers	12/31/2008	1,063,954	737,851	1,801,805
	Percent		59.05%	40.95%	100.00%
	Labor - Direct Charge to O&M	12/31/2008	\$ 40,028,307	\$ 21,973,240	\$ 62,001,547
	Percent		64.56%	35.44%	100.00%
	T&D O&M Expense (Less Labor)	12/31/2008	\$ 62,673,171	\$ 31,222,288	\$ 93,895,460
	Percent		66.75%	33.25%	100.00%
	Net Classified Plant (Excluding General Pla	12/31/2008	\$ 3,378,503,702	\$ 1,579,494,155	\$ 4,957,997,857
	Percent		68.14%	31.86%	100.00%
	Total Percentages		258.50%	141.50%	400.00%
	Percent		64.62%	35.38%	100.00%
5	* <u>Labor</u>				
	Benefit Assessment Distribution	12/31/2008	\$ 14,461,698	\$ 7,806,225	\$ 22,267,922
	Total		\$ 14,461,698	\$ 7,806,225	\$ 22,267,922
	Percent		64.94%	35.06%	100.00%