

**EXHIBIT NO. ___(JHS-4)
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___**

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

MAY 8, 2009

**PUGET SOUND ENERGY-ELECTRIC
RESULTS OF OPERATIONS
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2008
GENERAL RATE INCREASE**

LINE NO.	ACTUAL RESULTS OF OPERATIONS	TOTAL ADJUSTMENTS	ADJUSTED RESULTS OF OPERATIONS	REVENUE REQUIREMENT DEFICIENCY	AFTER RATE INCREASE	
1	OPERATING REVENUES					
2	SALES TO CUSTOMERS	\$ 1,988,945,644	\$ 13,474,759	\$ 2,002,420,403	\$ 148,148,000	\$ 2,150,568,403
3	SALES FROM RESALE-FIRM	369,320	(20,041)	349,279	78,069	427,348
4	SALES TO OTHER UTILITIES	173,342,971	(158,529,005)	14,813,966		14,813,966
5	OTHER OPERATING REVENUES	55,432,486	(15,576,305)	39,856,181	217,835	40,074,016
6	TOTAL OPERATING REVENUES	\$ 2,218,090,420	(160,650,591)	2,057,439,829	148,443,904	2,205,883,733
7						
8	OPERATING REVENUE DEDUCTIONS:					
9						
10	POWER COSTS:					
11	FUEL	\$ 212,332,676	\$ 58,273,841	\$ 270,606,517	\$ -	\$ 270,606,517
12	PURCHASED AND INTERCHANGED	920,346,551	(223,135,433)	697,211,118		697,211,118
13	WHEELING	70,713,346	11,230,152	81,943,498		81,943,498
14	RESIDENTIAL EXCHANGE	(40,663,861)	40,663,861	-		-
15	TOTAL PRODUCTION EXPENSES	\$ 1,162,728,712	(112,967,579)	1,049,761,133	-	1,049,761,133
16						
17	OTHER POWER SUPPLY EXPENSES	\$ 102,819,798	\$ 168,596	\$ 102,988,394	\$ -	\$ 102,988,394
18	TRANSMISSION EXPENSE	9,234,124	46,126	9,280,250		9,280,250
19	DISTRIBUTION EXPENSE	76,776,331	(504,956)	76,271,375		76,271,375
20	CUSTOMER ACCTS EXPENSES	43,145,324	(900,018)	42,245,306	537,664	42,782,970
21	CUSTOMER SERVICE EXPENSES	10,019,493	(7,765,413)	2,254,080		2,254,080
22	CONSERVATION AMORTIZATION	53,980,110	(53,979,048)	1,062		1,062
23	ADMIN & GENERAL EXPENSE	89,418,696	6,060,711	95,479,407	296,888	95,776,295
24	DEPRECIATION	173,307,040	528,739	173,835,780		173,835,780
25	AMORTIZATION	34,012,299	9,643,989	43,656,288		43,656,288
26	AMORTIZ OF PROPERTY GAIN/LOSS	6,493,409	11,337,170	17,830,580		17,830,580
27	OTHER OPERATING EXPENSES	(483,686)	20,900,545	20,416,859		20,416,859
28	FAS 133	7,537,999	(7,537,999)	-		-
29	TAXES OTHER THAN INCOME TAXES	188,816,368	(65,476,067)	123,340,301	5,728,450	129,068,751
30	INCOME TAXES	4,629,482	14,846,819	19,476,301	49,658,345	69,134,647
31	DEFERRED INCOME TAXES	30,323,152	19,692,075	50,015,228		50,015,228
32	TOTAL OPERATING REV. DEDUCT.	\$ 1,992,758,652	\$ (165,906,308)	\$ 1,826,852,344	\$ 56,221,347	\$ 1,883,073,691
33						
34	NET OPERATING INCOME	\$ 225,331,768	5,255,716	230,587,485	92,222,557	322,810,041
35						
36	RATE BASE	\$ 3,462,284,719	\$ 308,860,625	\$ 3,771,145,344	\$ -	\$ 3,771,145,344
37						
38	RATE OF RETURN	6.51%		6.11%		8.56%
39						
40	RATE BASE:					
41	GROSS UTILITY PLANT IN SERVICE	\$ 6,183,573,988	\$ 487,084,437	\$ 6,670,658,425		
42	ACCUM DEPR AND AMORT	(2,533,770,195)	(84,367,431)	(2,618,137,625)		
43	DEFERRED DEBITS	286,749,772	(57,931,234)	228,818,538		
44	DEFERRED TAXES	(515,196,416)	(35,925,148)	(551,121,564)		
45	ALLOWANCE FOR WORKING CAPITAL	130,674,248	-	130,674,248		
46	OTHER	(89,746,678)	-	(89,746,678)		
47	TOTAL RATE BASE	\$ 3,462,284,719	\$ 308,860,625	\$ 3,771,145,344		

**PUGET SOUND ENERGY-ELECTRIC
STATEMENT OF OPERATING INCOME AND ADJUSTMENTS
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2008**

LINE NO.	ACTUAL RESULTS OF OPERATIONS	TEMPERATURE NORMALIZATION 4.01	REVENUES & EXPENSES 4.02	POWER COSTS 4.03	FEDERAL INCOME TAX 4.04	TAX BENEFIT OF PRO FORMA INTEREST 4.05	HOPKINS RIDGE INFILL 4.06
1	OPERATING REVENUES						
2	\$ 1,988,945,644	\$ (19,690,654)	\$ 128,985,537	\$ -	\$ -	\$ -	
3	SALES TO CUSTOMERS						
4	SALES FROM RESALE-FIRM						
5	SALES TO OTHER UTILITIES						
6	OTHER OPERATING REVENUES						
7	TOTAL OPERATING REVENUES	\$ (19,695,013)	\$ 129,408,169	\$ (175,579,969)	\$ -	\$ -	\$ -
8	OPERATING REVENUE DEDUCTIONS:						
9							
10	POWER COSTS:						
11	FUEL						
12	PURCHASED AND INTERCHANGED						
13	WHEELING						
14	RESIDENTIAL EXCHANGE						
15	TOTAL PRODUCTION EXPENSES	\$ -	\$ -	\$ (224,938,036)	\$ -	\$ -	\$ -
16							
17	OTHER POWER SUPPLY EXPENSES						
18	TRANSMISSION EXPENSE						
19	DISTRIBUTION EXPENSE						
20	CUSTOMER ACCTS EXPENSES						
21	CUSTOMER SERVICE EXPENSES						
22	CONSERVATION AMORTIZATION						
23	ADMIN & GENERAL EXPENSE						
24	DEPRECIATION						
25	AMORTIZATION						
26	AMORTIZ OF PROPERTY GAIN/LOSS						
27	OTHER OPERATING EXPENSES						
28	FAS 133						
29	TAXES OTHER THAN INCOME TAXES						
30	INCOME TAXES						
31	DEFERRED INCOME TAXES						
32	TOTAL OPERATING REV. DEDUCT.	\$ (7,459,246)	\$ 49,011,765	\$ (209,938,611)	\$ 20,234,048	\$ 714,135	\$ 214,972
33							
34	NET OPERATING INCOME	\$ (12,235,767)	\$ 80,396,404	\$ 34,358,642	\$ (20,234,048)	\$ (714,135)	\$ (214,972)
35							
36	RATE BASE						\$ 4,704,806
37							
38	RATE OF RETURN						
39							
40	RATE BASE:						
41	GROSS UTILITY PLANT IN SERVICE						
42	ACCUM DEPR AND AMORT						
43	DEFERRED DEBITS						
44	DEFERRED TAXES						
45	ALLOWANCE FOR WORKING CAPITAL						
46	OTHER						
47	TOTAL RATE BASE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,704,806

**PUGET SOUND ENERGY-ELECTRIC
STATEMENT OF OPERATING INCOME AND ADJUSTMENTS
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2008**

LINE NO.	WILD HORSE EXPANSION 4.07	MINT FARM 4.08	SUMAS 4.09	WHITEHORN 4.10	BAKER HYDRO RELICENSING 4.11	PASS-THROUGH REVS. & EXPS. 4.12	BAD DEBTS 4.13	MISCELLANEOUS OPERATING EXPENSE 4.14								
1	OPERATING REVENUES															
2							\$	(95,820,124)	\$	-	\$	-				
3																
4																
5							188,209					848,137				
6	\$	-	\$	-	\$	-	\$	(95,631,915)	\$	-	\$	848,137				
7																
8	OPERATING REVENUE DEDUCTIONS:															
9																
10	POWER COSTS:															
11			\$	59,359,585			\$	-	\$	-	-					
12																
13	23,006	5,277,772														
14							40,663,861									
15	\$	23,006	\$	64,637,357	\$	-	\$	-	\$	-	\$	-				
16																
17	\$	1,951,841	\$	9,311,752			\$									
18																
19																
20								(346,379)	(1,571,313)							
21								(7,837,447)			(663,485)					
22								(53,979,048)			874,539					
23	82,056	772,130	283,240	6,080	878,359	(191,431)					918,253					
24	4,317,416	2,665,817	852,783	804,698												
25					2,282,922	661,163										
26	AMORTIZ OF PROPERTY GAIN/LOSS															
27	OTHER OPERATING EXPENSES															
28	FAS 133															
29	447,883	1,295,495			6,769			(72,956,529)								
30	(2,387,771)	(29,199,727)	(397,608)	(1,085,164)	(538,833)	(344,730)	549,960			535,657						
31	DEFERRED INCOME TAXES															
32	\$	4,434,431	\$	54,228,064	\$	738,416	\$	2,015,304	\$	1,000,689	\$	(94,991,703)	\$	(1,021,353)	\$	(146,654)
33																
34	\$	(4,434,431)	\$	(54,228,064)	\$	(738,416)	\$	(2,015,304)	\$	(1,000,689)	\$	(640,213)	\$	1,021,353	\$	994,791
35																
36	\$	86,230,945	\$	223,509,079	\$	7,282,195	\$	18,323,366	\$	32,876,741						
37																
38	RATE OF RETURN															
39																
40	RATE BASE:															
41	\$	102,555,661	\$	247,549,229	\$	46,046,487	\$	45,170,620	\$	34,483,278	\$	-	\$	-	-	
42	\$	(3,604,747)	\$	(17,777,127)	\$	(39,449,975)	\$	(27,386,911)	\$	(1,606,537)						
43																
44	(12,719,969)	(6,263,024)	685,684	539,657												
45	ALLOWANCE FOR WORKING CAPITAL															
46	OTHER															
47	\$	86,230,945	\$	223,509,079	\$	7,282,195	\$	18,323,366	\$	32,876,741	\$	-	\$	-	-	

**PUGET SOUND ENERGY-ELECTRIC
STATEMENT OF OPERATING INCOME AND ADJUSTMENTS
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2008**

LINE NO.	PROPERTY TAXES 4.15	EXCISE TAX & FILING FEE 4.16	D&O INSURANCE 4.17	MONTANA ELECTRIC ENERGY TAX 4.18	INTEREST ON CUST DEPOSITS 4.19	SFAS 133 4.20	RATE CASE EXPENSES 4.21	DEFERRED G/L ON PROPERTY SALES 4.22	PROPERTY & LIABILITY INS 4.23
1 OPERATING REVENUES									
2 SALES TO CUSTOMERS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3 SALES FROM RESALE-FIRM									
4 SALES TO OTHER UTILITIES									
5 OTHER OPERATING REVENUES									
6 TOTAL OPERATING REVENUES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
7									
8 OPERATING REVENUE DEDUCTIONS:									
9									
10 POWER COSTS:									
11 FUEL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
12 PURCHASED AND INTERCHANGED									
13 WHEELING									
14 RESIDENTIAL EXCHANGE									
15 TOTAL PRODUCTION EXPENSES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
16									
17 OTHER POWER SUPPLY EXPENSES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
18 TRANSMISSION EXPENSE									
19 DISTRIBUTION EXPENSE									
20 CUSTOMER ACCTS EXPENSES					61,479				
21 CUSTOMER SERVICE EXPENSES									
22 CONSERVATION AMORTIZATION									
23 ADMIN & GENERAL EXPENSE		0	(316,020)				(585,171)		1,047,211
24 DEPRECIATION									
25 AMORTIZATION									
26 AMORTIZ OF PROPERTY GAIN/LOSS									
27 OTHER OPERATING EXPENSES								766,132	
28 FAS 133						\$ (7,537,999)			
29 TAXES OTHER THAN INCOME TAXES	2,467,222	(406,301)		(142,356)					
30 INCOME TAXES	(863,528)	142,205	110,607	49,825			\$ 204,810	(268,146)	(366,524)
31 DEFERRED INCOME TAXES						2,638,300			
32 TOTAL OPERATING REV. DEDUCT.	\$ 1,603,694	\$ (264,096)	\$ (205,413)	\$ (92,531)	\$ 61,479	\$ (4,899,699)	\$ (380,361)	\$ 497,986	\$ 680,687
33									
34 NET OPERATING INCOME	\$ (1,603,694)	\$ 264,096	\$ 205,413	\$ 92,531	\$ (61,479)	\$ 4,899,699	\$ 380,361	\$ (497,986)	\$ (680,687)
35									
36 RATE BASE									
37									
38 RATE OF RETURN									
39									
40 RATE BASE:									
41 GROSS UTILITY PLANT IN SERVICE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
42 ACCUM DEPR AND AMORT									
43 DEFERRED DEBITS									
44 DEFERRED TAXES									
45 ALLOWANCE FOR WORKING CAPITAL									
46 OTHER									
47 TOTAL RATE BASE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**PUGET SOUND ENERGY-ELECTRIC
STATEMENT OF OPERATING INCOME AND ADJUSTMENTS
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2008**

LINE NO.	PENSION PLAN 4.24	WAGE INCREASE 4.25	INVESTMENT PLAN 4.26	EMPLOYEE INSURANCE 4.27	INCENTIVE PAY 4.28	MERGER SAVINGS 4.29	STORM DAMAGE 4.30	REG ASSETS & LIABILITIES 4.31	DEPRECIATION STUDY 4.32	FREDONIA POWER PLANT 4.33
1 OPERATING REVENUES										
2 SALES TO CUSTOMERS	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -	
3 SALES FROM RESALE-FIRM										
4 SALES TO OTHER UTILITIES										
5 OTHER OPERATING REVENUES										
6 TOTAL OPERATING REVENUES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
7										
8 OPERATING REVENUE DEDUCTIONS:										
9										
10 POWER COSTS:										
11 FUEL	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	\$ 96,558		
12 PURCHASED AND INTERCHANGED		200,933			(70,727)			10,033,393		
13 WHEELING								(672,588)		
14 RESIDENTIAL EXCHANGE										
15 TOTAL PRODUCTION EXPENSES	\$ -	\$ 200,933	\$ -	\$ -	\$ (70,727)	\$ -	\$ -	\$ 9,457,362	\$ -	\$ -
16										
17 OTHER POWER SUPPLY EXPENSES	\$ -	\$ 1,002,966	\$ -	\$ -	\$ (298,670)	\$ -	\$ -	\$ (7,999,283)		
18 TRANSMISSION EXPENSE		865,457			(247,924)					
19 DISTRIBUTION EXPENSE		894,287			(264,098)					
20 CUSTOMER ACCTS EXPENSES		781,263			(222,450)					
21 CUSTOMER SERVICE EXPENSES		107,936			(35,902)					
22 CONSERVATION AMORTIZATION										
23 ADMIN & GENERAL EXPENSE	4,218,275	1,212,744	251,419	1,550,706	(484,751)	(874,205)				6,667
24 DEPRECIATION									(9,109,591)	1,617,141
25 AMORTIZATION								(0)	(0)	
26 AMORTIZ OF PROPERTY GAIN/LOSS							11,378,140			
27 OTHER OPERATING EXPENSES								1,562,196		
28 FAS 133										
29 TAXES OTHER THAN INCOME TAXES		336,702			(126,215)					(19,306)
30 INCOME TAXES	(1,476,396)	(1,890,801)	(87,997)	(542,747)	612,758	305,972	(3,325,551)	2,017,391	-	(561,576)
31 DEFERRED INCOME TAXES										
32 TOTAL OPERATING REV. DEDUCT.	\$ 2,741,878	\$ 3,511,487	\$ 163,422	\$ 1,007,959	\$ (1,137,979)	\$ (568,233)	\$ 6,176,024	\$ 5,037,666	\$ (9,109,591)	\$ 1,042,927
33										
34 NET OPERATING INCOME	\$ (2,741,878)	\$ (3,511,487)	\$ (163,422)	\$ (1,007,959)	\$ 1,137,979	\$ 568,233	\$ (6,176,024)	\$ (5,037,666)	\$ 9,109,591	\$ (1,042,927)
35										
36 RATE BASE						\$ -		\$ (105,246,429)	\$ 4,554,795	\$ 41,603,405
37										
38 RATE OF RETURN										
39										
40 RATE BASE:										
41 GROSS UTILITY PLANT IN SERVICE	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -			70,121,452
42 ACCUM DEPR AND AMORT								\$	4,554,795	(27,672,234)
43 DEFERRED DEBITS								(105,246,429)		
44 DEFERRED TAXES								-	-	(845,814)
45 ALLOWANCE FOR WORKING CAPITAL										
46 OTHER										
47 TOTAL RATE BASE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (105,246,429)	\$ 4,554,795	\$ 41,603,405

**PUGET SOUND ENERGY-ELECTRIC
STATEMENT OF OPERATING INCOME AND ADJUSTMENTS
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2008**

LINE NO.	AMORT MINT FARM DEFERRED COST 4.34	FLEET VEHICLES 4.35	NET INTEREST PAID TO IRS 4.36	PRODUCTION ADJUSTMENT 4.37	TOTAL ADJUSTMENTS	ADJUSTED RESULTS OF OPERATIONS
1	OPERATING REVENUES					
2				\$	-	\$ 2,002,420,403
3					(20,041)	349,279
4					(158,529,005)	14,813,966
5					(15,576,305)	39,856,181
6	\$	-		\$	-	\$ 2,057,439,829
7						
8	OPERATING REVENUE DEDUCTIONS:					
9						
10	POWER COSTS:					
11				(1,616,297)	\$ 58,273,841	\$ 270,606,517
12				(1,150,184)	(223,135,433)	697,211,118
13				(174,853)	11,230,152	81,943,498
14					40,663,861	-
15	\$	-		\$	(2,941,335)	\$ 1,049,761,133
16						
17				\$	(396,233)	\$ 102,988,394
18					46,126	9,280,250
19					(504,956)	76,271,375
20					(900,018)	42,245,306
21					(7,765,413)	2,254,080
22					(53,979,048)	1,062
23		(2,761,859)		(198,706)	6,060,711	95,479,407
24		804,616		(1,755,704)	528,739	173,835,780
25			2,263,966	(309,301)	9,643,989	43,656,288
26				(40,970)	11,337,170	17,830,580
27	20,999,984			(616,148)	20,900,545	20,416,859
28					(7,537,999)	-
29				(529,576)	(65,476,067)	123,340,301
30	(7,349,994)	685,035	(792,388)	2,130,741	14,846,819	19,476,301
31					19,692,075	50,015,228
32	\$	13,649,989	\$	(1,272,207)	\$	1,471,578
33				\$	(4,657,230)	\$ (165,906,308)
34	\$	(13,649,989)	\$	1,272,207	\$	(1,471,578)
35				4,657,230	\$	5,255,716
36	\$	32,790,782	\$	7,448,028	\$	(1,323,561)
37				(43,893,528)	\$	308,860,625
38						\$ 3,771,145,344
39	RATE OF RETURN					
40	RATE BASE:					
41		\$ 8,777,632		(75,648,373)	487,084,437	\$ 6,670,658,425
42		\$ (603,462)		30,296,017	(84,367,431)	(2,618,137,625)
43	50,447,365		762,557	(3,894,727)	(57,931,234)	228,818,538
44	(17,656,582)	(726,142)	(2,086,118)	5,353,555	(35,925,148)	(551,121,564)
45					-	130,674,248
46					-	(89,746,678)
47	\$	32,790,782	\$	7,448,028	\$	(1,323,561)
				\$	(43,893,528)	\$ 308,860,625
						\$ 3,771,145,344

**PUGET SOUND ENERGY-ELECTRIC
TEMPERATURE NORMALIZATION
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2008
GENERAL RATE INCREASE**

LINE NO.	DESCRIPTION	ACTUAL GPI MWH	TEMP ADJ GPI MWH	MWH CHANGE	ADJ FOR LOSSES 6.70%
1	<u>TEMPERATURE NORMALIZATION ADJUSTMENT:</u>				
2					
3					
4	Jan-08	2,469,690	2,391,018	(78,672)	(73,401)
5	Feb-08	2,107,909	2,120,848	12,939	12,072
6	Mar-08	2,170,180	2,091,248	(78,932)	(73,644)
7	Apr-08	1,958,626	1,886,833	(71,793)	(66,983)
8	May-08	1,766,162	1,766,439	277	258
9	Jun-08	1,675,454	1,675,928	474	442
10	Jul-08	1,672,937	1,682,789	9,851	9,191
11	Aug-08	1,721,324	1,713,215	(8,110)	(7,566)
12	Sep-08	1,662,996	1,666,514	3,518	3,282
13	Oct-08	1,892,478	1,882,587	(9,891)	(9,228)
14	Nov-08	1,952,479	2,053,028	100,549	93,812
15	Dec-08	2,521,637	2,426,079	(95,558)	(89,156)
16		<u>23,571,872</u>	<u>23,356,525</u>	<u>(215,347)</u>	<u>(200,921)</u>
17					
18	REVENUE ADJUSTMENT:	Schedule 7		(176,605)	(18,021,127)
19		Schedule 24		(7,529)	(657,045)
20		Schedule 25		(7,940)	(504,896)
21		Schedule 26		(3,774)	(230,199)
22		Schedule 29		68	3,652
23		Schedule 31		(928)	(54,654)
24		Schedule 43		(3,472)	(192,341)
25		Schedule 40 - Med Sec Voltage		9	501
26		Schedule 40 - Large Sec Voltage		(419)	(23,339)
27		Schedule 40 - Primary Voltage		(207)	(11,206)
28		Firm Resale		(124)	(4,359)
29	INCREASE (DECREASE) SALES TO CUSTOMERS				<u>\$ (19,695,013)</u>
30					
31	UNCOLLECTIBLES @			0.0036220 \$	(71,335)
32	ANNUAL FILING FEE @			0.0020000	(39,390)
31	INCREASE (DECREASE) EXPENSES				(110,725)
32					
33	STATE UTILITY TAX @			0.0385900 \$	(760,031)
34	INCREASE (DECREASE) TAXES OTHER				<u>(760,031)</u>
35					
36	INCREASE (DECREASE) INCOME				(18,824,257)
37					
38	INCREASE (DECREASE) FIT @			35%	(6,588,490)
39	INCREASE (DECREASE) NOI				<u><u>\$ (12,235,767)</u></u>

**PUGET SOUND ENERGY-ELECTRIC
REVENUES AND EXPENSES
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2008
GENERAL RATE INCREASE**

LINE NO.	DESCRIPTION	ADJUSTMENT
1	SALES TO CUSTOMERS:	
2	RESTATING ADJUSTMENTS:	
3	ADD GRC INCREASE DOCKET 072300	\$ 162,849,052
4	REMOVE PCA INCREASE	(54,276,915)
5	REMOVE SCHEDULE 95A PRODUCTION TAX CREDITS	29,870,589
6	OATT REVENUE	(95,488)
7	MISCELLANEOUS RESTATING ADJUSTMENT	1,099,396
8	RESTATING ADJUSTMENTS SALES TO CUSTOMERS	<u>139,446,633</u>
9		
10	PROFORMA ADJUSTMENTS:	
11		
12	MISCELLANEOUS ADJUSTMENTS	(412,534)
13	CONSERVATION	(10,048,562)
14	PROFORMA ADJUSTMENTS SALES TO CUSTOMERS	<u>(10,461,096)</u>
15		
16	TOTAL INCREASE (DECREASE) SALES TO CUSTOMERS	\$ 128,985,537
17		
18	SALES FOR RESALE - SMALL FIRM	
19	MISCELLANEOUS RESTATING ADJUSTMENT	<u>(15,682)</u>
20		
21	TOTAL INCREASE (DECREASE) SALES FOR RESALE - SMALL FIRM	(15,682)
22		
23	OTHER OPERATING REVENUES	
24	POLE ATTACHMENT REVENUES	438,314
25		
26		
27	TOTAL INCREASE (DECREASE) OTHER OPERATING REVENUE	<u>438,314</u>
28		
29	TOTAL INCREASE (DECREASE) REVENUES	129,408,169
30		
31	UNCOLLECTIBLES @	0.0036220 \$ 468,716
32	ANNUAL FILING FEE @	0.0020000 258,816
33	INCREASE (DECREASE) EXPENSES	<u>727,533</u>
34		
35	STATE UTILITY TAX @	0.0385900 \$ 4,993,861
36	REMOVE MUNICIPAL TAX EXPENSED	
37	INCREASE (DECREASE) TAXES OTHER	<u>4,993,861</u>
38		
39	INCREASE (DECREASE) INCOME	123,686,775
40		
41	INCREASE (DECREASE) FIT @	35% <u>43,290,371</u>
42	INCREASE (DECREASE) NOI	<u>\$ 80,396,404</u>

PUGET SOUND ENERGY-ELECTRIC
POWER COSTS
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2008
GENERAL RATE INCREASE

LINE NO. DESCRIPTION	ACTUAL	PROFORMA	INCREASE (DECREASE)
1 SALES FOR RESALE	\$ 173,342,971	\$ 14,813,966	\$ (158,529,005)
2			
3 PURCHASES/SALES OF NON-CORE GAS	15,804,883	214,376	(15,590,508)
4 WHEELING FOR OTHERS	11,562,467	10,102,010	(1,460,457)
5	27,367,351	10,316,386	(17,050,965)
6			
7 TOTAL OPERATING REVENUES	200,710,322	25,130,352	(175,579,969)
8			
9 FUEL	\$ 212,821,383	\$ 213,255,379	\$ 433,996
10			
11 PURCHASED AND INTERCHANGED	888,547,931	661,723,849	(226,824,082)
12 HEDGING		297,532	297,532
13 RATE DISALLOWANCES FOR MARCH POINT 2 AND TENASKA	-	(5,622,298)	(5,622,298)
14 SUBTOTAL PURCHASED AND INTERCHANGED	\$ 888,547,931	\$ 656,399,083	\$ (232,148,848)
15 WHEELING	68,962,375	75,739,190	6,776,815
16			-
17 TOTAL PRODUCTION EXPENSES	\$ 1,170,331,689	\$ 945,393,653	\$ (224,938,036)
18 HYDRO AND OTHER POWER	92,332,638	88,928,860	(3,403,778)
19 TRANS. EXP. INCL. 500KV O&M	1,497,266	1,456,225	(41,041)
20			
21 TOTAL OPERATING EXPENSES	\$ 1,264,161,593	\$ 1,035,778,738	\$ (228,382,855)
22			
23 INCREASE (DECREASE) OPERATING INCOME (LINE 7 - LINE 21)	\$ (1,063,451,271)	\$ (1,010,648,386)	\$ 52,802,886
24			
25 REDUCTION TO STATE UTILITY TAX SAVINGS FOR LINE 4	3.873%		(56,563)
26 INCREASE (DECREASE) INCOME			\$ 52,859,449
27 INCREASE (DECREASE) FIT @	35%		18,500,807
28 INCREASE (DECREASE) NOI			<u>\$ 34,358,642</u>

**PUGET SOUND ENERGY-ELECTRIC
FEDERAL INCOME TAX
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2008
GENERAL RATE INCREASE**

LINE NO.	DESCRIPTION	AMOUNT
1	TAXABLE INCOME (LOSS)	\$ 22,313,583
2		
3	FEDERAL INCOME TAX EXPENSE (BENEFIT) @ 35%	7,809,754
4	CURRENTLY PAYABLE	<u>\$ 7,809,754</u>
5		
6	DEFERRED FIT - DEBIT	\$ 81,055,294
7	DEFERRED FIT - CREDIT	(33,678,366)
8	ADDITIONAL DEFERRED CREDITS	-
9	TOTAL RESTATED FIT	<u>\$ 55,186,682</u>
10		
11	FIT PER BOOKS:	
12	CURRENTLY PAYABLE	\$ 4,629,482
13	DEFERRED FIT - DEBIT	95,224,301
14	DEFERRED FIT - CREDIT	(64,901,149)
15	DEFERRED FIT - INV TAX CREDIT, NET OF AMORT.	-
16	TOTAL CHARGED TO EXPENSE	<u>\$ 34,952,634</u>
17		
18	INCREASE(DECREASE) FIT	3,180,272
19	INCREASE(DECREASE) DEFERRED FIT	17,053,776
20	INCREASE(DECREASE) NOI	<u><u>\$ (20,234,048)</u></u>

**PUGET SOUND ENERGY-ELECTRIC
TAX BENEFIT OF PRO FORMA INTEREST
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2008
GENERAL RATE INCREASE**

LINE NO.	DESCRIPTION	AMOUNT
1	RATE BASE	\$ 3,771,145,344
2		
3	NET RATE BASE	<u>\$ 3,771,145,344</u>
4		
5	WEIGHTED COST OF DEBT	<u>3.38%</u>
6	PROFORMA INTEREST	\$ 127,464,713
7		
8		
9	<u>INTEREST EXPENSE ITEMS PER BOOKS:</u>	
10	INTEREST ON LONG TERM DEBT	\$ 118,050,837
11	AMORTIZATION OF DEBT DISCOUNT	
12	AND EXPENSE, NET OF PREMIUMS	2,191,065
13	INTEREST ON DEBT TO ASSOCIATED	
14	ASSOCIATED COMPANIES	526,222
15	OTHER INTEREST EXPENSE	8,798,452
16	LESS: INTEREST ON CUSTOMER DEPOSITS	<u>(61,479)</u>
17	CHARGED TO EXPENSE IN TEST YEAR	<u>129,505,097</u>
18		
19	INCREASE (DECREASE) INCOME	\$ 2,040,384
20		
21	INCREASE (DECREASE) FIT @	35% 714,135
22	INCREASE (DECREASE) NOI	<u><u>\$ (714,135)</u></u>

**PUGET SOUND ENERGY-ELECTRIC
HOPKINS RIDGE INFILL PROJECT
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2008
GENERAL RATE INCREASE**

LINE NO. DESCRIPTION	TEST YEAR	PROFORMA	ADJUSTMENT
1 <u>HOPKINS RIDGE INFILL RATEBASE (AMA)</u>			
2 <u>UTILITY PLANT RATEBASE</u>			
3 PLANT BALANCE	\$ 4,756,205	\$ 12,784,655	\$ 8,028,450
4 ACCUM DEPRECIATION	(41,878)	(1,159,128)	(1,117,250)
5 DEFERRED INCOME TAX LIABILITY	(123,577)	(2,329,972)	(2,206,395)
6 NET HOPKINS RIDGE INFILL PLANT RATEBASE	<u>\$ 4,590,749</u>	<u>\$ 9,295,555</u>	<u>\$ 4,704,806</u>
7			
8 <u>HOPKINS RIDGE INFILL OPERATING EXPENSE</u>			
9 DEPRECIATION EXPENSE	\$ 210,507	\$ 542,069	\$ 331,562
10 PROPERTY INSURANCE	4,735	31,022	26,287
11 PROPERTY TAXES	88,507	61,385	(27,122)
12 TOTAL OPERATING EXPENSES	<u>\$ 303,749</u>	<u>\$ 634,476</u>	<u>\$ 330,727</u>
13			
14 INCREASE (DECREASE) OPERATING EXPENSE			330,727
15			
16 INCREASE (DECREASE) FIT @		35%	(115,755)
17 INCREASE (DECREASE) NOI			<u>\$ (214,972)</u>

**PUGET SOUND ENERGY-ELECTRIC
WILD HORSE WIND EXPANSION PROJECT
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2008
GENERAL RATE INCREASE**

LINE NO.	DESCRIPTION	TEST YEAR	PROFORMA	ADJUSTMENT
1	<u>WILD HORSE EXPANSION RATEBASE (AMA)</u>			
2	<u>UTILITY PLANT RATEBASE</u>			
3	PLANT BALANCE	\$ -	\$ 102,555,661	\$ 102,555,661
4	ACCUM DEPRECIATION	-	(3,604,747)	(3,604,747)
5	DEFERRED INCOME TAX LIABILITY	-	(12,719,969)	(12,719,969)
6	NET WH EXPANSION PLANT RATEBASE	<u>\$ -</u>	<u>\$ 86,230,945</u>	<u>\$ 86,230,945</u>
7				
8	<u>WILD HORSE EXPANSION OPERATING EXPENSE</u>			
9	DEPRECIATION EXPENSE	\$ -	\$ 4,317,416	\$ 4,317,416
10				
11	<u>POWER COST & PRODUCTION O&M RELATED TO WILD HORSE EXPANSION</u>			
12	WHEELING		\$ 23,006	\$ 23,006
13	PRODUCTION O&M	-	1,951,841	1,951,841
14	PROPERTY INSURANCE	-	82,056	82,056
15	PROPERTY TAXES	-	447,883	447,883
16	TOTAL POWER COST AND PROD O&M	<u>-</u>	<u>2,504,786</u>	<u>2,504,786</u>
17				
18	INCREASE (DECREASE) EXPENSE	-	6,822,202	6,822,202
19				
20	INCREASE (DECREASE) FIT @		35%	<u>(2,387,771)</u>
21	INCREASE (DECREASE) NOI			<u>\$ (4,434,431)</u>

**PUGET SOUND ENERGY-ELECTRIC
MINT FARM PROJECT
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2008
GENERAL RATE INCREASE**

LINE NO.	DESCRIPTION	TEST YEAR	PROFORMA	ADJUSTMENT
1	<u>MINT FARM RATEBASE (AMA)</u>			
2	<u>UTILITY PLANT RATEBASE</u>			
3	PLANT BALANCE	\$ 4,014,348	\$ 96,513,139	\$ 92,498,791
4	ACCUM DEPRECIATION	(201,277)	(9,462,820)	(9,261,543)
5	ACQUISITION ADJUSTMENT	\$ 6,287,526	\$ 161,337,964	\$ 155,050,438
6	ACCUMULATED AMORTIZATION ON ACQ ADJ	(15,410)	(8,530,993)	(8,515,583)
7	DEFERRED FIT	(24,401)	\$ (6,287,425)	\$ (6,263,024)
8	TOTAL ACQUISITION ADJUSTMENT RATEBASE	<u>\$ 10,060,786</u>	<u>\$ 233,569,865</u>	<u>\$ 223,509,079</u>
9				
10	<u>TOTAL RATEBASE</u>	<u>\$ 10,060,786</u>	<u>\$ 233,569,865</u>	<u>\$ 223,509,079</u>
11				
12	<u>MINT FARM OPERATING EXPENSE</u>			
13	DEPRECIATION EXPENSE	\$ -	\$ 2,665,817	\$ 2,665,817
14	AMORTIZATION EXPENSE	-	4,745,240	\$ 4,745,240
15	PROPERTY INSURANCE	-	772,130	772,130
16	PROPERTY TAXES	-	1,295,495	1,295,495
17	INCREASE (DECREASE) EXPENSE	-	9,478,681	9,478,681
18				
19	<u>POWER COST ASSOCIATED WITH MINT FARM</u>			
20	NATURAL GAS FUEL		59,359,585	\$ 59,359,585
21	WHEELING		5,277,772	5,277,772
22	INCREASE (DECREASE) POWER COST	-	64,637,357	64,637,357
23				
24	PRODUCTION O&M	-	9,311,752	\$ 9,311,752
25				
26	INCREASE (DECREASE) EXPENSE	-	83,427,791	83,427,791
27				
28	INCREASE (DECREASE) FIT @ 35%	-	(29,199,727)	(29,199,727)
29	INCREASE (DECREASE) NOI	<u>\$ -</u>	<u>\$ (54,228,064)</u>	<u>\$ (54,228,064)</u>

**PUGET SOUND ENERGY-ELECTRIC
SUMAS
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2008
GENERAL RATE INCREASE**

LINE NO.	DESCRIPTION	TEST YEAR	ADJUSTED RATE YEAR	ADJUSTMENT
1	<u>SUMAS RATEBASE</u>			
2	PLANT BALANCE	\$ 40,785,275	\$ 86,831,762	\$ 46,046,487
3	ACCUM DEPRECIATION	(27,871,612)	(67,321,588)	(39,449,975)
4	DEFERRED INCOME TAX	(788,841)	(103,157)	685,684
5	NET SUMAS PLANT RATEBASE	<u>\$ 12,124,822</u>	<u>\$ 19,407,017</u>	<u>\$ 7,282,195</u>
6				
7	<u>SUMAS OPERATING EXPENSE</u>			
8	DEPRECIATION EXPENSE	643,627	1,496,410	852,783
9	PROPERTY INSURANCE	65,335	339,740	274,405
10	PROPERTY TAXES	140,740	149,575	8,835
11	TOTAL OPERATING EXPENSES	<u>\$ 849,702</u>	<u>\$ 1,985,725</u>	<u>\$ 1,136,024</u>
12				
13	INCREASE (DECREASE) OPERATING EXPENSE			1,136,024
14				
15	INCREASE (DECREASE) FIT @		35%	(397,608)
16	INCREASE (DECREASE) NOI			<u>\$ (738,416)</u>

**PUGET SOUND ENERGY-ELECTRIC
WHITEHORN
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2008
GENERAL RATE INCREASE**

LINE NO.	DESCRIPTION	TEST YEAR	ADJUSTED RATE YEAR	ADJUSTMENT
1	<u>WHITEHORN RATEBASE</u>			
2	PLANT BALANCE	\$ -	\$ 28,235,000	\$ 28,235,000
3	ACCUMULATED DEPRECIATION	-	(23,591,945)	(23,591,945)
4	ACQUISITION ADJUSTMENT		\$ 16,935,620	\$ 16,935,620
5	ACCUMULATED AMORTIZATION ON ACQ ADJ		(3,794,967)	(3,794,967)
6	DEFERRED FIT	\$ (1,481,626)	\$ (941,969)	539,657
7	TOTAL RATEBASE	<u>\$ (1,481,626)</u>	<u>\$ 16,841,740</u>	<u>\$ 18,323,366</u>
8				
9	<u>WHITEHORN OPERATING EXPENSE</u>			
10	LEASE PAYMENT		----- (NOTE 1) -----	
11	DEPRECIATION EXPENSE	-	804,698	804,698
12	AMORTIZATION EXPENSE	-	2,282,922	2,282,922
13	PROPERTY INSURANCE	41,405	47,485	6,080
14	PROPERTY TAXES	71,610	78,379	6,769
15	TOTAL OPERATING EXPENSES	<u>\$ 113,015</u>	<u>\$ 3,213,484</u>	<u>\$ 3,100,468</u>
16				
17	INCREASE (DECREASE) EXPENSE			3,100,468
18				
19	INCREASE (DECREASE) FIT @		35%	(1,085,164)
20	INCREASE (DECREASE) NOI			<u><u>\$ (2,015,304)</u></u>
21				
22	(NOTE 1) DEPRECIATION AND ACCRETION OF THE CAPITAL LEASE WAS RECORDED IN FERC 550 DURING THE TEST YEAR. THIS EXPENSE IS REMOVED FROM THE REVENUE REQUIREMENT IN ADJUSTMENT NO. 4.03.			

**PUGET SOUND ENERGY-ELECTRIC
BAKER HYDRO RELICENSING COSTS
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2008
GENERAL RATE INCREASE**

LINE NO.	DESCRIPTION	TEST YEAR	ADJUSTED RATE YEAR	ADJUSTMENT
1	<u>BAKER HYDRO RELICENSING OPERATING EXPENSE</u>			
2	AMORTIZATION EXPENSE	125,847	787,010	661,163
3	AMORTIZATION OF PREPAYMENT FOR			
4	FEDERAL LAND USE	230,670	1,109,030	878,359
5	TOTAL OPERATING EXPENSES	\$ 356,517	\$ 1,896,039	\$ 1,539,522
6				
7	INCREASE (DECREASE) EXPENSE			1,539,522
8				
9	INCREASE (DECREASE) FIT @		35%	(538,833)
10	INCREASE (DECREASE) NOI			<u>\$ (1,000,689)</u>
11				
12	<u>BAKER HYDRO RELICENSING RATEBASE</u>			
13	PLANT BALANCE	\$ 4,867,210	\$ 39,350,488	\$ 34,483,278
14	ACCUM AMORTIZATION	(6,745)	(1,613,282)	(1,606,537)
15	NET BAKER HYDRO RELIC RATEBASE	<u>\$ 4,860,465</u>	<u>\$ 37,737,206</u>	<u>\$ 32,876,741</u>

**PUGET SOUND ENERGY-ELECTRIC
PASS-THROUGH REVENUES AND EXPENSES
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2008
GENERAL RATE INCREASE**

LINE NO.	DESCRIPTION	ADJUSTMENT
1	<u>REMOVE REVENUE ASSOCIATED WITH RIDERS:</u>	
2	REMOVE CONSERVATION RIDER - SCHEDULE 120	56,528,843
3	REMOVE MUNICIPAL TAXES - SCHEDULE 81	71,715,879
4	REMOVE LOW INCOME AMORTIZATION - SCHEDULE 129	7,416,313
5	REMOVE RESIDENTIAL EXCHANGE - SCH 194	(42,536,503)
6	GREEN POWER - SCH 135/136 (TAGS ELIM IN PAGE 4.03)	2,695,592
7	GREEN POWER - SCH 135/136 ELIMINATE UNDER EXPENSED	(188,209)
8	TOTAL (INCREASE) DECREASE IN REVENUES	<u>95,631,915</u>
9		
10	<u>DECREASE REVENUE SENSITIVE ITEMS FOR DECREASE IN REVENUES:</u>	
11	BAD DEBTS 0.36220%	(346,379)
12	ANNUAL FILING FEE 0.20000%	(191,264)
13	STATE UTILITY TAX 3.85900%	(3,690,436)
14	TOTAL	<u>(4,228,078)</u>
15		
16	<u>REMOVE EXPENSES ASSOCIATED WITH RIDERS</u>	
17	REMOVE CONSERVATION RIDER - SCHEDULE 120	(53,979,048)
18	REMOVE MUNICIPAL TAXES - SCHEDULE 81	(69,266,041)
19	REMOVE LOW INCOME AMORTIZATION - SCHEDULE 129	(7,082,152)
20	REMOVE RESIDENTIAL EXCHANGE - SCH 194	40,663,861
21	GREEN POWER - SCH 135/136 (TAGS ELIM IN PAGE 4.03)	(755,295)
22	GREEN POWER - SCH 135/136 BENEFITS PORTION OF ADMIN	(167)
23	GREEN POWER - SCH 135/136 TAXES PORTION OF ADMIN	(52)
24	TOTAL INCREASE (DECREASE) EXPENSE	<u>(90,418,895)</u>
25		
26	INCREASE (DECREASE) OPERATING INCOME BEFORE FIT	(984,942)
27	INCREASE (DECREASE) FIT	<u>(344,730)</u>
28	INCREASE (DECREASE) NOI	<u><u>(640,213)</u></u>

PUGET SOUND ENERGY-ELECTRIC
BAD DEBTS
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2008
GENERAL RATE INCREASE

LINE NO.	YEAR	NET WRITEOFF'S	GROSS REVENUES	SALES FOR RESALE OTHER	SALES FOR RESALE FIRM	NET REVENUES	PERCENT WRITEOFF'S TO REVENUE
1	12 MOS ENDED						
			DECEMBER			AUGUST	
2	2004	\$ 5,022,599	\$ 1,406,581,058	\$ 58,008,246	\$ 361,860	\$ 1,348,210,952	0.3725%
3	2005	\$ 5,360,802	\$ 1,529,132,527	\$ 87,141,570	\$ 350,697	\$ 1,441,640,260	0.3719%
4	2007	\$ 6,199,334	\$ 1,922,618,327	\$ 111,070,231	\$ 373,024	\$ 1,811,175,072	0.3423%
5	3-Yr Average of Net Write Off Rate						<u>0.3622%</u>
6							
7	Test Period Revenues		\$ 2,218,090,420	\$ 173,342,971	\$ 369,320	\$ 2,044,378,130	
8							
9	PROFORMA BAD DEBT RATE					0.3622%	
10	PROFORMA BAD DEBTS					<u>\$ 7,404,738</u>	
11							
12	UNCOLLECTIBLES CHARGED TO EXPENSE IN TEST YEAR					<u>8,976,051</u>	
13	INCREASE (DECREASE) EXPENSE						\$ (1,571,313)
14							
15	INCREASE (DECREASE) FIT					35%	<u>549,960</u>
16	INCREASE (DECREASE) NOI						<u><u>\$ 1,021,353</u></u>

**PUGET SOUND ENERGY-ELECTRIC
MISCELLANEOUS OPERATING EXPENSE
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2008
GENERAL RATE INCREASE**

LINE NO. DESCRIPTION	ACTUAL	PROFORMA RESTATED	ADJUSTMENT
1 OPERATING REVENUES			
2 OTHER OPERATING REVENUES			
3 AMORTIZATION OF SUMMIT BUYOUT PURCHASE OPTION	169,628	1,017,765	848,137
4 INCREASE (DECREASE) IN REVENUE	<u>169,628</u>	<u>1,017,765</u>	<u>848,137</u>
5			
6			
7 OPERATING EXPENSES			
8 AMORT OF DEFERRED TAXES OF INDIRECT OVERHEADS			
9 REGULATORY ASSET (WUTC DOC # UE-051527)	2,048,627		(2,048,627)
10 AMORT OF INTEREST ASSOCIATED WITH DEFERRAL OF UNRECOVERED			
11 RESIDENTIAL EXCHANGE BENEFITS CREDITED TO CUSTOMERS (WUTC			
12 DOC # UE-071024)	247,904	484,913	237,009
13 COST OF WIRE ZONE VEGETATION MANAGEMENT PROGRAM WIRE ZONE	2,987,000	2,300,000	(687,000)
14 INCREASE IN SERVICE CONTRACT BASELINE CHARGES TSM	783,839	807,354	23,515
15 INCREASE IN SERVICE CONTRACT BASELINE CHARGES DST	27,737,607	28,612,146	874,539
16 COMPANY STORE - NET PURCH/SALES OF MERCHANDISE IN A&G	(2,376)		2,376
17 SUMMIT BUILDING CONTRACTUAL RENT 4th FLOOR-NEW	193,718	506,302	312,584
18 SUMMIT BUILDING CONTRACTUAL RENT INCREASES	1,622,420	2,252,355	629,936
19 AIRPORT AND HOTEL PARKING	13,138		(13,138)
20 ATHELETIC EVENTS CHARGED ABOVE THE LINE	13,505		(13,505)
21 INCREASE (DECREASE) IN EXPENSE	<u>\$ 35,645,381</u>	<u>\$ 34,963,070</u>	<u>\$ (682,311)</u>
22			
23 INCREASE(DECREASE) OPERATING EXPENSE			(1,530,448)
24 INCREASE(DECREASE) FIT @		35%	<u>535,657</u>
25			
26 INCREASE(DECREASE) NOI			<u>\$ 994,791</u>

**PUGET SOUND ENERGY-ELECTRIC
PROPERTY TAXES
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2008
GENERAL RATE INCREASE**

LINE NO. DESCRIPTION	WASHINGTON	MONTANA	OREGON	TOTAL
1 RESTATED PROPERTY TAX	\$ 25,089,976	\$ 10,427,003	\$ 682,879	\$ 36,199,858
2 CHARGED TO EXPENSE IN TY	22,610,386	10,434,323	687,927	33,732,636
3 INCREASE(DECREASE) EXPENSE	\$ 2,479,590	\$ (7,320)	\$ (5,048)	\$ 2,467,222
4				
5 INCREASE(DECREASE) FIT @			35%	(863,528)
6				
7 INCREASE(DECREASE) NOI				<u>\$ (1,603,694)</u>

**PUGET SOUND ENERGY-ELECTRIC
EXCISE TAX & FILING FEE
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2008
GENERAL RATE INCREASE**

LINE NO.	DESCRIPTION	AMOUNT
1	RESTATED EXCISE TAXES	\$ 77,127,850
2	CHARGED TO EXPENSE FOR TEST YEAR	77,534,151
3	INCREASE (DECREASE) EXCISE TAX	\$ (406,301)
4		
5	RESTATED WUTC FILING FEE	\$ 4,067,207
6	CHARGED TO EXPENSE FOR TEST YEAR	4,067,207
7	INCREASE(DECREASE) WUTC FILING FEE	\$ 0
8		
9	INCREASE(DECREASE) EXPENSE	(406,301)
10		
11	INCREASE(DECREASE) FIT @	35% 142,205
12	INCREASE(DECREASE) NOI	\$ 264,096

**PUGET SOUND ENERGY-ELECTRIC
D&O INSURANCE
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2008
GENERAL RATE INCREASE**

LINE NO.	DESCRIPTION	TEST YEAR	RESTATED	ADJUSTMENT
1	D & O INS. CHG EXPENSE	\$ 624,952	\$ 308,932	\$ (316,020)
2				
3	INCREASE (DECREASE) D&O EXPENSE	\$ 624,952	\$ 308,932	\$ (316,020)
4				
5	INCREASE (DECREASE) EXPENSE			(316,020)
6				
7	INCREASE (DECREASE) FIT @		35%	110,607
8	INCREASE (DECREASE) NOI			<u>\$ 205,413</u>

**PUGET SOUND ENERGY-ELECTRIC
MONTANA ELECTRIC ENERGY TAX
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2008
GENERAL RATE INCREASE**

LINE NO.	DESCRIPTION	AMOUNT
1	RESTATED KWH (COLSTRIP)	4,961,528,191
2	TAX RATE	<u>0.00035</u>
3		
4	RESTATED ENERGY TAX	1,736,535
5	CHARGED TO EXPENSE	1,878,891
6	INCREASE (DECREASE) EXPENSE	<u>\$ (142,356)</u>
7		
8	INCREASE (DECREASE) FIT @ 35%	49,825
9	INCREASE (DECREASE) NOI	<u><u>\$ 92,531</u></u>

PUGET SOUND ENERGY-ELECTRIC
INTEREST ON CUSTOMER DEPOSITS
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2008
GENERAL RATE INCREASE

LINE NO.	DESCRIPTION	AMOUNT
1	INTEREST EXPENSE FOR TEST YEAR	\$ 61,479
2		
3	INCREASE (DECREASE) NOI	<u>\$ (61,479)</u>

PUGET SOUND ENERGY-ELECTRIC
SFAS 133
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2008
GENERAL RATE INCREASE

LINE NO.		ACTUAL	RESTATED	ADJUSTMENT
1	FAS 133 OPERATING EXPENSE	\$ 7,537,999	\$ -	\$ (7,537,999)
2				
3	INCREASE (DECREASE) IN EXPENSE	\$ 7,537,999	\$ -	\$ (7,537,999)
4				
5	INCREASE(DECREASE) OPERATING INCOME			7,537,999
6				
7	INCREASE (DECREASE) DEFERRED FIT @	35%		2,638,300
8				
9	INCREASE (DECREASE) NOI			<u>\$ 4,899,699</u>

**PUGET SOUND ENERGY-ELECTRIC
RATE CASE EXPENSES
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2008
GENERAL RATE INCREASE**

LINE NO.	DESCRIPTION		AMOUNT
1	EXPENSES TO BE NORMALIZED:		
2			
3	ESTIMATED 2006 and 2007 GRC EXPENSES TO BE NORMALIZED	\$ 1,139,000	
4			
5	ANNUAL NORMALIZATION (LINE 3 / 2 YEARS)	569,500	
6	LESS TEST YEAR EXPENSE: GRC DIRECT CHARGES TO FERC 928	1,317,497	
7	INCREASE (DECREASE) EXPENSE	\$ (747,997)	(747,997)
8			
9	ESTIMATED 2005 and 2007 PCORC EXPENSES TO BE NORMALIZED	\$ 329,000	
10			
11	ANNUAL NORMALIZATION (LINE 9 / 2)	164,500	
12	LESS TEST YEAR EXPENSE: PCORC DIRECT CHARGES TO O& M	1,674	
13	INCREASE (DECREASE) EXPENSE	\$ 162,826	162,826
14			
15			
16	TOTAL INCREASE (DECREASE) EXPENSE		\$ (585,171)
17			
18	INCREASE(DECREASE) FIT @	35%	204,810
19	INCREASE(DECREASE) NOI		\$ 380,361

**PUGET SOUND ENERGY-ELECTRIC
DEFERRED GAINS/LOSSES ON PROPERTY SALES
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2008
GENERAL RATE INCREASE**

LINE NO. DESCRIPTION	AMOUNT
1 DEFERRED GAIN RECORDED SINCE UE-072300, <i>et al.</i> at 03/31/2010	\$ (4,860,165)
2 DEFERRED LOSS RECORDED SINCE UE-072300, <i>et al.</i> at 03/31/2010	358,473
3 TOTAL DEFERRED NET (GAIN) LOSS TO AMORTIZE	<u>\$ (4,501,692)</u>
4	
5 AMORTIZATION OF DEFERRED NET (GAIN) LOSS FOR RATE YEAR (Line 3/3years)	(1,500,564)
6	
7 AMORTIZATION OF DEFERRED NET (GAIN) LOSS FOR TEST YEAR	<u>(2,266,696)</u>
8	
9 INCREASE (DECREASE) EXPENSE (Line 5 - Line 7)	\$ 766,132
10	
11 INCREASE (DECREASE) FIT @ 35%	<u>(268,146)</u>
12	
13 INCREASE (DECREASE) NOI	<u><u>\$ (497,986)</u></u>

**PUGET SOUND ENERGY-ELECTRIC
PROPERTY & LIABILITY INSURANCE
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2008
GENERAL RATE INCREASE**

LINE NO.	DESCRIPTION	ACTUAL	PROFORMA	ADJUSTMENT
1	PROPERTY INSURANCE EXPENSE	\$ 1,421,247	\$ 2,258,020	\$ 836,773
2	LIABILITY INSURANCE EXPENSE	1,100,143	1,310,582	210,438
3	INCREASE(DECREASE) EXPENSE	<u>\$ 2,521,391</u>	<u>\$ 3,568,602</u>	<u>\$ 1,047,211</u>
4				
5	INCREASE (DECREASE) OPERATING EXPENSE			1,047,211
6				
7	INCREASE (DECREASE) FIT @	35%		(366,524)
8	INCREASE (DECREASE) NOI			<u><u>\$ (680,687)</u></u>

**PUGET SOUND ENERGY-ELECTRIC
PENSION PLAN
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2008
GENERAL RATE INCREASE**

LINE NO.	DESCRIPTION	ACTUAL	RESTATED	ADJUSTMENT
1	QUALIFIED RETIREMENT FUND	\$ (157,074)	\$ 3,693,495	\$ 3,850,569
2	SERP PLAN	1,771,381	2,139,086	367,705
3	INCREASE(DECREASE) EXPENSE	<u>\$ 1,614,306</u>	<u>\$ 5,832,581</u>	<u>\$ 4,218,275</u>
4				
5	INCREASE(DECREASE) OPERATING EXPENSE			4,218,275
6				
7	INCREASE (DECREASE) FIT @	35%		<u>(1,476,396)</u>
8	INCREASE (DECREASE) NOI			<u><u>\$ (2,741,878)</u></u>

**PUGET SOUND ENERGY-ELECTRIC
WAGE INCREASE
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2008
GENERAL RATE INCREASE**

LINE NO.	DESCRIPTION	TEST YEAR	RATE YEAR	ADJUSTMENT
1	WAGES:			
2	PURCHASED POWER	\$ 3,120,093	\$ 3,321,026	\$ 200,933
3	OTHER POWER SUPPLY	13,571,238	14,574,204	1,002,966
4	TRANSMISSION	11,343,900	12,209,357	865,457
5	DISTRIBUTION	11,993,826	12,888,113	894,287
6	CUSTOMER ACCTS	10,174,505	10,955,768	781,263
7	CUSTOMER SERVICE	1,279,692	1,366,421	86,729
8	SALES	329,849	351,056	21,207
9	ADMIN. & GENERAL	20,978,180	22,190,924	1,212,744
10	TOTAL WAGE INCREASE	<u>72,791,283</u>	<u>77,856,869</u>	5,065,586
11				
12	PAYROLL TAXES	6,333,220	6,669,922	336,702
13	TOTAL WAGES & TAXES	<u>79,124,503</u>	<u>84,526,791</u>	5,402,288
14				
15	INCREASE (DECREASE) OPERATING EXPENSE			\$ 5,402,288
16	INCREASE (DECREASE) FIT @ 35%			(1,890,801)
17	INCREASE (DECREASE) NOI			<u>\$ (3,511,487)</u>

**PUGET SOUND ENERGY-ELECTRIC
INVESTMENT PLAN
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2008
GENERAL RATE INCREASE**

LINE NO.	DESCRIPTION		AMOUNT
1	NON-UNION (EXCLUDING. EXECUTIVES)		
2	INVESTMENT PLAN APPLICABLE TO MANAGEMENT		\$4,283,707
3	RATE YEAR MANAGEMENT WAGE INCREASE	6.44%	275,871
4	TOTAL COMPANY CONTRIBUTION FOR MANAGEMENT		4,559,578
5			
6	NON-UNION (EXECUTIVES)		
7	INVESTMENT PLAN APPLICABLE TO MANAGEMENT		114,889
8	RATE YEAR MANAGEMENT WAGE INCREASE	0.00%	0
9	TOTAL COMPANY CONTRIBUTION FOR MANAGEMENT		114,889
10			
11	IBEW		
12	INVESTMENT PLAN APPLICABLE TO IBEW		1,108,036
13	RATE YEAR IBEW WAGE INCREASE	8.01%	88,754
14	TOTAL COMPANY CONTRIBUTION FOR IBEW		1,196,790
15			
16	UA		
17	INVESTMENT PLAN APPLICABLE TO UA		849,857
18	RATE YEAR UA WAGE INCREASE	6.90%	58,640
19	TOTAL COMPANY CONTRIBUTION FOR UA		908,497
20			
21	TOTAL		
22	TOTAL PROFORMA COSTS (LN 4 + LN 9 + LN 14 + LN 19)		6,779,754
23	PRO FORMA COSTS APPLICABLE TO OPERATIONS	59.40%	4,027,174
24	CHARGED TO EXPENSE FOR YEAR ENDED 12/31/08		3,775,755
25	INCREASE (DECREASE) EXPENSE		251,419
26			
27	INCREASE (DECREASE) FIT @	35%	(87,997)
28	INCREASE (DECREASE) NOI		(\$163,422)

**PUGET SOUND ENERGY-ELECTRIC
EMPLOYEE INSURANCE
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2008
GENERAL RATE INCREASE**

LINE NO.	DESCRIPTION	AMOUNT
1	<u>BENEFIT CONTRIBUTION:</u>	
2	SALARIED EMPLOYEES	\$ 10,476,129
3	UNION EMPLOYEES	9,335,380
4	PRO FORMA INSURANCE COSTS	<u>19,811,509</u>
5		
6	APPLICABLE TO OPERATIONS @ 59.40%	11,768,036
7	CHARGED TO EXPENSE 09/30/07	<u>10,217,330</u>
8	INCREASE(DECREASE) EXPENSE	1,550,706
9		
10	INCREASE(DECREASE) FIT @ 35%	<u>(542,747)</u>
11		
12	INCREASE(DECREASE) NOI	<u><u>\$ (1,007,959)</u></u>

**PUGET SOUND ENERGY-ELECTRIC
INCENTIVE PAY
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2008
GENERAL RATE INCREASE**

LINE NO.	DESCRIPTION	ACTUAL	PROFORMA RESTATED	ADJUSTMENT
1	<u>OPERATING EXPENSES (RESTATED)</u>			
2	PURCHASED POWER	\$ 291,735	\$ 221,008	\$ (70,727)
3	OTHER POWER SUPPLY	1,267,586	968,916	(298,670)
4	TRANSMISSION	1,059,495	811,571	(247,924)
5	DISTRIBUTION	1,120,699	856,601	(264,098)
6	CUSTOMER ACCTS	950,690	728,240	(222,450)
7	CUSTOMER SERVICE	119,686	91,095	(28,591)
8	SALES	30,602	23,291	(7,311)
9	ADMIN. & GENERAL	1,959,863	1,475,112	(484,751)
10	TOTAL INCENTIVE/MERIT PAY	<u>\$ 6,800,356</u>	<u>\$ 5,175,834</u>	<u>\$ (1,624,522)</u>
11				
12	PAYROLL TAXES ASSOC WITH MERIT PAY	<u>528,346</u>	<u>402,131</u>	<u>(126,215)</u>
13	INCREASE(DECREASE) EXPENSE	7,328,702	5,577,965	(1,750,737)
14				
15	INCREASE (DECREASE) OPERATING EXPENSE			(1,750,737)
16				
17	INCREASE (DECREASE) FIT @		35%	612,758
18	INCREASE (DECREASE) NOI			<u>\$ 1,137,979</u>

**PUGET SOUND ENERGY-ELECTRIC
MERGER SAVINGS
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2008
GENERAL RATE INCREASE**

LINE NO.	DESCRIPTION	ACTUAL	PROFORMA	ADJUSTMENT
1				
2	OPEERATING EXPENSES			
3	MERGER SAVINGS	\$ 874,205	-	(874,205)
4	INCREASE(DECREASE) EXPENSE	874,205	-	(874,205)
5				
6	INCREASE(DECREASE) INCOME			(874,205)
7				
8	INCREASE (DECREASE) FIT @		35%	305,972
9	INCREASE (DECREASE) NOI			<u>568,233</u>
10				<u>\$ 568,233</u>
11				
12				

**PUGET SOUND ENERGY-ELECTRIC
STORM DAMAGE
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2008
GENERAL RATE INCREASE**

LINE NO.	DESCRIPTION	AMOUNT		
1	NORMAL STORMS	Transmission	Distribution	Total
2	ACTUAL O&M:			
3	TWELVE MONTHS ENDED 12/31/03	\$ 247,140	\$ 5,658,040	\$ 5,905,180
4	TWELVE MONTHS ENDED 12/31/04	(11,319)	9,133,971	9,122,653
5	TWELVE MONTHS ENDED 12/31/05	122,468	3,449,456	3,571,923
6	TWELVE MONTHS ENDED 12/31/06	450,748	10,435,721	10,886,469
7	TWELVE MONTHS ENDED 12/31/07	376,353	8,672,798	9,049,151
8	TWELVE MONTHS ENDED 12/31/08	77,335	9,881,618	9,958,953
9	TOTAL NORMAL STORMS	1,262,725	47,231,604	48,494,329
10				
11	SIX-YEAR AVERAGE STORM EXPENSE FOR RATE YEAR	210,454	7,871,934	8,082,388
12				
13	CHARGED TO EXPENSE FOR TEST YEAR ENDED 12/31/08:			
14	STORM DAMAGE EXPENSE (LINE 8)	77,335	9,881,618	9,958,953
15				
16	INCREASE (DECREASE) OPERATING EXPENSE	133,119	(2,009,684)	(1,876,565)
17				
18				
19	CATASTROPHIC STORMS			
20	DEFERRED BALANCES FOR 4 YEAR AMORTIZATION AT			
21	START OF RATE YEAR (4/1/10):			
22	2006 STORM DAMAGE (EXCL 12/13/06 WIND STORM)	17,706,790		
23	2007 STORM DAMAGE	13,794,354		
24	2008 STORM DAMAGE	1,998,779		
25	TOTAL	33,499,923		
26	ANNUAL AMORTIZATION (LINE 25 ÷ 4 YEARS)	8,374,981		
27				
28	DEFERRED BALANCES FOR 10 YEAR AMORTIZATION AT			
29	START OF RATE YEAR (4/1/10):			
30	12/13/06 WIND STORM	68,317,669		
31	TOTAL	68,317,669		
32	ANNUAL AMORTIZATION (LINE 31 ÷ 103 (# OF MONTHS REMAINING) X 12)	7,959,340		
33	TOTAL RATE YEAR AMORTIZATION		16,334,321	
34	LESS CATASTROPHIC STORM AMORT AS (12/31/08)		4,956,181	
35				
36	INCREASE (DECREASE) OPERATING EXPENSE (LINE 26+LINE 32 - LINE 34)	7,959,340		11,378,140
37				
38	TOTAL INCREASE (DECREASE) OPERATING EXPENSE (LINE 16 + LINE 36)			9,501,575
39				
40	INCREASE (DECREASE) FIT @ 35% (LINE 38 X 35%)			(3,325,551)
41				
42	INCREASE (DECREASE) NOI			\$ (6,176,024)

**PUGET SOUND ENERGY-ELECTRIC
REGULATORY ASSETS AND LIABILITIES
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2008
2009 GENERAL RATE INCREASE**

LINE NO. DESCRIPTION	TEST YEAR	RATE YEAR	ADJUSTMENT
1 <u>AMA OF REGULATORY ASSET/LIABILITY NET OF ACCUM AMORT AND DFII</u>			
2 CABOT BUYOUT	\$ 360,425	\$ -	\$ (360,425)
3 TENASKA	118,166,087	47,565,333	(70,600,754)
4 BEP	21,714,195	16,211,898	(5,502,297)
5 WHITE RIVER PLANT COSTS	35,059,015	30,893,115	(4,165,899)
6 WHITE RIVER RELICENSING & CWIP	19,828,326	19,459,947	(368,379)
7 PROCEED FROM THE SALE OF WHITE RIVER	-	(16,250,000)	(16,250,000)
8 CANWEST	(319,932)	-	319,932
9 HOPKINS RIDGE PREPAID TRANSMISSION	6,017,545	938,032	(5,079,513)
10 GOLDENDALE FIXED COSTS DEFERRAL	7,814,472	2,930,761	(4,883,711)
11 HOPKINS RIDGE MITIGATION CREDIT	(775,674)	(160,522)	615,152
12 COLSTRIP SETTLEMENT - UE-080900	-	7,142,281	7,142,281
13 WESTCOAST PIPELINE CAPACITY - UE-082013	(713,271)	(2,060,421)	(1,347,150)
14 OVER RECOVERY OF MAJOR MAINTENANCE		(4,765,665)	(4,765,665)
15 TOTAL REGULATORY ASSETS	\$ 207,151,187	\$ 101,904,759	\$ (105,246,429)
16			
17			
18 <u>AMORTIZATION OF REGULATORY ASSET/LIABILITY</u>			
19 CABOT BUYOUT	\$ 1,410,033	\$ -	\$ (1,410,033)
20 TENASKA (AMORT OF AFPC PORTION)	4,802,000	6,051,143	1,249,143
21 BEP	3,526,620	3,526,620	-
22 WHITE RIVER PLANT COSTS	1,494,702	1,494,702	(0)
23 WHITE RIVER RELICENSING & CWIP		-	-
24 CANWEST	(1,898,741)	-	1,898,741
25 HOPKINS RIDGE PREPAID TRANSMISSION	1,992,888	1,925,091	(67,797)
26 GOLDENDALE FIXED COSTS DEFERRAL	693,692	4,162,154	3,468,462
27 HOPKINS RIDGE MITIGATION CREDIT	(241,917)	(846,708)	(604,792)
28 COLSTRIP SETTLEMENT - UE-080900	10,487,160	2,487,877	(7,999,283)
29 WESTCOAST PIPELINE CAPACITY - UE-082013	-	(392,150)	(392,150)
30 AMORTIZATION OF OVER-RECOVERY OF MAJOR MAINTENANCE		(1,906,266)	(1,906,266)
31 TOTAL AMORTIZATION OF REG ASSETS/LIABS	22,266,438	16,502,462	(5,763,975)
32			
33 TENASKA FLOW THRU	23,470,000	32,254,250	8,784,250
34			
35 TOTAL REGULATORY AMORT (LINE 29 + LINE 31)			3,020,275
36			
37 INCREASE (DECREASE) FIT ON LINE 29		35%	2,017,391
38			
39 INCREASE (DECREASE) NOI (LINE 33 + LINE 35)			<u>\$ (5,037,666)</u>

**PUGET SOUND ENERGY-ELECTRIC
DEPRECIATION STUDY
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2008
GENERAL RATE INCREASE**

LINE NO.	DESCRIPTION	TEST YEAR	RESTATED	ADJUSTMENT
1	<u>ADJUSTMENT TO OPERATING EXPENSES</u>			
2	<u>DEPRECIATION EXPENSE</u>			
3	403 DEPRECIATION EXPENSE	\$ 163,345,135	\$ 151,549,221	\$ (11,795,914)
4	403 ELEC PORTION OF COMMON	5,390,885	8,077,208	2,686,323
5	403 DEPR. EXP. ON ASSETS NOT INCLUDED IN STUDY	4,462,322	4,462,322	-
6	SUBTOTAL DEPRECIATION EXPENSE 403	<u>\$ 173,198,341</u>	<u>\$ 164,088,750</u>	<u>\$ (9,109,591)</u>
7				
8	403.1 DEPR. EXP- FAS 143 (RECOVERED IN RATES)	102,031	108,699	6,668
9	403.1 DEPR. EXP - FAS 143 (NOT RECOVERED IN RATES)	6,668	-	(6,668)
10	SUBTOTAL DEPRECIATION EXPENSE 403.1	<u>\$ 108,699</u>	<u>\$ 108,699</u>	<u>\$ (0)</u>
11				
12	TOTAL DEPRECIATION EXPENSE	<u>173,307,040</u>	<u>164,197,450</u>	<u>(9,109,591)</u>
13				
14	<u>AMORTIZATION EXPENSE</u>			
15	4111 ACCRETION EXP. - FAS 143 (RECOVERED IN RATES)	832,086	968,936	136,850
16	4111 ACCRETION EXP. - FAS 143 (NOT RECOVERED IN RATES)	136,850	-	(136,850)
17	SUBTOTAL ACCRETION EXPENSE 411.1	<u>968,936</u>	<u>968,936</u>	<u>(0)</u>
18				
19	FLEET DEPR. EXP. ON INC STMNT NOT RECORDED IN 403	-	-	-
20				
21	INCREASE(DECREASE) EXPENSE			\$ (9,109,591)
22				
23	INCREASE (DECREASE) FIT @		35%	
24	INCREASE(DECREASE) NOI			<u>\$ 9,109,591</u>
25				
26				
27	<u>ADJUSTMENT TO RATE BASE</u>			
28	ADJUST ACCUM. DEPR. FOR ADDITIONAL DEPRECIATION EXPENSE (50% OF LINE 21)			4,554,795
29				-
30	ADJUSTMENT TO RATE BASE			<u>\$ 4,554,795</u>

**PUGET SOUND ENERGY-ELECTRIC
FREDONIA POWER PLANT
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2008
GENERAL RATE INCREASE**

LINE NO.	DESCRIPTION	TEST YEAR	PROFORMA ADJUSTMENT	
1				
2	<u>PLANT RATEBASE</u>			
3	PLANT BALANCE	\$ -	\$ 70,121,452	\$ 70,121,452
4	ACCUM DEPRECIATION	-	(27,672,234)	(27,672,234)
5	DEFERRED INCOME TAX	(5,482,293)	(6,328,106)	(845,814)
6	TOTAL RATEBASE	<u>(5,482,293)</u>	<u>36,121,112</u>	<u>41,603,405</u>
7				
8	<u>FREDONIA OPERATING EXPENSE</u>			
9	LEASE PAYMENTS		----- (NOTE 1) -----	
10	DEPRECIATION EXPENSE	-	1,617,141	1,617,141
11	PROPERTY INSURANCE	38,324	44,991	6,667
12	PROPERTY TAXES	179,053	159,747	(19,306)
13	INCREASE (DECREASE) EXPENSES	<u>217,376</u>	<u>1,821,879</u>	<u>1,604,502</u>
14				
15	INCREASE (DECREASE) EXPENSE			1,604,502
16				
17	INCREASE (DECREASE) FIT @		35%	<u>(561,576)</u>
18				
19	INCREASE (DECREASE) NOI			<u>\$ (1,042,927)</u>
20				
21				
22				
23	(NOTE 1) DEPRECIATION AND ACCRETION OF THE CAPITAL LEASE WAS			
24	RECORDED IN FERC 550 DURING THE TEST YEAR. THIS EXPENSE IS REMOVED			
25	FROM THE REVENUE REQUIREMENT IN ADJUSTMENT NO. 4.03.			

**PUGET SOUND ENERGY-ELECTRIC
AMORTIZATION OF MINT FARM DEFERRED COSTS
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2008
GENERAL RATE INCREASE**

LINE NO.	DESCRIPTION	ACTUAL	PROFORMA	ADJUSTMENT
1				
2	AMORTIZATION OF FIXED COST DEFERRAL	\$ -	\$ 20,223,046	\$ 20,223,046
3	DEFERRAL OF MINT FARM FIXED COSTS	(776,937)	-	776,937
4	AMORTIZATION OF FIXED COST DEFERRAL	(776,937)	20,223,046	20,999,984
5				
6	INCREASE (DECREASE) OPERATING EXPENSES			20,999,984
7				
8	INCREASE(DECREASE) FIT @		35%	(7,349,994)
9				
10	INCREASE(DECREASE) NOI			\$ (13,649,989)
11				
12	RATE BASE			
13	MINT FARM AMA GROSS - DEF & INT.	\$ 110,252	\$ 60,669,139	\$ 60,558,888
14	MINT FARM AMA ACCUMULATED AMORTIZATION	-	(10,111,523)	(10,111,523)
15	MINT FARM AMA ACCUMULATED DEFERRED FIT	(38,583)	(17,695,166)	(17,656,582)
16	TOTAL MINT FARM RATE BASE	71,668	32,862,450	32,790,782

**PUGET SOUND ENERGY-ELECTRIC
FLEET VEHICLES
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2008
GENERAL RATE INCREASE**

LINE NO.	DESCRIPTION	ACTUAL	PROFORMA	ADJUSTMENT
1	<u>FLEET OPERATING EXPENSES</u>			
2	LEASE PAYMENT	\$ 2,761,859	\$ -	\$ (2,761,859)
3	DEPRECIATION EXPENSE	-	\$ 804,616	804,616
4	INCREASE (DECREASE) EXPENSE	\$ 2,761,859	\$ 804,616	\$ (1,957,242)
5				
6	INCREASE (DECREASE) EXPENSE	2,761,859	804,616	(1,957,242)
7				
8		35%		
9	INCREASE (DECREASE) FIT @	(966,651)	(281,616)	685,035
10	INCREASE (DECREASE) NOI	\$ (1,795,208)	\$ (523,000)	\$ 1,272,207
11				
12	<u>RATEBASE</u>			
13	FLEET BALANCE	\$ -	\$ 8,777,632	\$ 8,777,632
14	ACCUMULATED DEPRECIATION	-	(603,462)	(603,462)
15	DEFERRED FIT	-	(726,142)	(726,142)
16	<u>NET FLEET RATEBASE</u>	\$ -	\$ 7,448,028	\$ 7,448,028
17				

**PUGET SOUND ENERGY-ELECTRIC
NET INTEREST DUE TO IRS FOR SIMPLIFIED SERVICE COST METHOD
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2008
GENERAL RATE INCREASE**

LINE NO.	DESCRIPTION	ACTUAL	PROFORMA	ADJUSTMENT
1	<u>AMORTIZATION OF DEFERRED SSCM NET</u>			
2	<u>INTEREST PAID TO IRS</u>			
3	AMORTIZATION EXPENSE		2,263,966	2,263,966
4	TOTAL OPERATING EXPENSES	\$ -	\$ 2,263,966	\$ 2,263,966
5				
6	INCREASE (DECREASE) EXPENSE			\$ 2,263,966
7				
8	INCREASE (DECREASE) FIT @		35%	(792,388)
9	INCREASE (DECREASE) NOI			<u>\$ (1,471,578)</u>
10				
11	RATEBASE			
12	<u>DEFERRED SSCM NET INTEREST PAID TO IRS</u>			
13	GROSS DEFERRED BALANCE	\$ 2,633,392	\$ 4,527,932	\$ 1,894,540
14	ACCUM AMORTIZATION		(1,131,983)	(1,131,983)
15	DEFERRED FEDERAL INCOME TAX	897,536	(1,188,582)	(2,086,118)
16	NET DEFERRED INTEREST ADDITION TO RATEBASE	<u>\$ 3,530,928</u>	<u>\$ 2,207,367</u>	<u>\$ (1,323,561)</u>

**PUGET SOUND ENERGY-ELECTRIC
PRODUCTION ADJUSTMENT
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2008
GENERAL RATE INCREASE**

LINE NO. DESCRIPTION	PROFORMA AND RESTATED	PRODUCTION 2.741%	FIT 35%
1 <u>O&M ON PRODUCTION PROPERTY</u>			
2 PRODUCTION WAGE INCREASE AND INCENTIVE:			
3 PURCHASED POWER	\$ 130,206	\$ (3,569)	\$ 1,249
4 OTHER POWER SUPPLY	704,296	(19,305)	6,757
5 TOTAL PRODUCTION WAGE INCREASE	<u>834,502</u>	<u>(22,874)</u>	<u>8,006</u>
6			
7 ADMIN & GENERAL EXPENSES			
8 PAYROLL OVERHEADS	3,782,952	(103,691)	36,292
9 PROPERTY INSURANCE	3,466,442	(95,015)	33,255
10 TOTAL ADMIN & GENERAL EXPENSES	<u>7,249,394</u>	<u>(198,706)</u>	<u>69,547</u>
11			
12 DEPRECIATION / AMORTIZATION:			
13 DEPRECIATION	64,053,396	(1,755,704)	682,331
14 AMORTIZATION (OTHER THAN REGULATORY ASSETS/LIAB)	11,284,249	(309,301)	104,803
15 TOTAL DEPRECIATION AND AMORTIZATION (FERC 403)	<u>75,337,645</u>	<u>(2,065,005)</u>	<u>787,134</u>
16			
17 TAXES OTHER-PRODUCTION PROPERTY:			
18 PROPERTY TAXES - WASHINGTON	8,124,018	(222,679)	77,938
19 PROPERTY TAXES - MONTANA	7,863,822	(215,547)	75,442
20 ELECTRIC ENERGY TAX	1,736,535	(47,598)	16,659
21 PAYROLL TAXES	1,596,162	(43,751)	15,313
22 TOTAL TAXES OTHER	<u>19,320,537</u>	<u>(529,576)</u>	<u>185,352</u>
23			
24 <u>WILD HORSE EXPANSION AND MINT FARM</u>			
25 FUEL	59,359,585	(1,627,046)	569,466
26 PURCHASED POWER	-	-	-
27 WHEELING	5,300,778	(145,294)	50,853
28 SALES FOR RESALE	-	-	-
29 PRODUCTION O&M	11,263,593	(308,735)	108,057
30 TOTAL NEW PLANT	<u>75,923,956</u>	<u>(2,081,076)</u>	<u>728,376</u>
31			
32 <u>O&M ON REGULATORY ASSETS:</u>			
33 CABOT BUYOUT	\$ -	\$ -	-
34 TENASKA (AMORT OF AFPC PORTION)	6,051,143	(165,862)	58,052
35 BEP	3,526,620	(96,665)	33,833
36 WHITE RIVER PLANT COSTS	1,494,702	(40,970)	14,339
37 WHITE RIVER RELICENSING & CWIP	0	-	-
38 CANWEST	0	-	-
39 HOPKINS RIDGE PREPAID TRANSMISSION	1,925,091	(52,767)	18,468
40 GOLDENDALE FIXED COSTS DEFERRAL	4,162,154	(114,085)	39,930
41 HOPKINS RIDGE MITIGATION CREDIT	(846,708)	23,208	(8,123)
42 COLSTRIP SETTLEMENT - UE-080900	2,487,877	(68,193)	23,867
43 WESTCOAST PIPELINE CAPACITY - UE-082013	(392,150)	10,749	(3,762)
44 MINT FARM DEFERRAL	20,223,046	(554,314)	194,010
45 OVER-RECOVERY MAJOR MAINTENANCE	(1,906,266)	52,251	(18,288)
46 TOTAL AMORTIZATION OF REG ASSETS/LIABS	<u>36,725,509</u>	<u>(1,006,646)</u>	<u>352,326</u>
47			
48 TENASKA FLOW THRU	32,254,250	(884,089)	-
49 TOTAL REGULATORY AMORT (LINE 46 + LINE 48)	<u>68,979,759</u>	<u>(1,890,735)</u>	<u>352,326</u>
50			
51			
52 INCREASE(DECREASE) EXPENSE		247,645,793	(6,787,971)
53 INCREASE(DECREASE) FIT			2,130,741
54 INCREASE(DECREASE) NOI			<u>\$ 4,657,230</u>

**PUGET SOUND ENERGY-ELECTRIC
PRODUCTION ADJUSTMENT
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2008
GENERAL RATE INCREASE**

LINE NO. DESCRIPTION	PROFORMA AND RESTATED	PRODUCTION 2.741%	FIT 35%
55			
56	<u>PRODUCTION PROPERTY RATE BASE:</u>		
57	\$ 2,480,979,950	\$ (68,003,660)	
58	(1,096,832,900)	30,064,190	
59	94,342,575	(2,585,930)	
60	(8,457,749)	231,827	
61	5,656,965	(155,057)	
62	1,667,334	(45,702)	
63	193,075,346	(5,292,195)	
64	(8,515,583)	233,412	
65	<u>1,661,915,937</u>	<u>(45,553,115)</u>	
66	DEDUCT:		
67	(192,034,521)	5,263,666	
68	(3,279,416)	89,889	
69	<u>(195,313,937)</u>	<u>5,353,555</u>	
70		-	
71	\$ 1,466,602,000	\$ (40,199,560)	\$ 1,426,402,440
72			
73	<u>REGULATORY ASSETS RATE BASE:</u>		
74		-	-
75	47,565,333	(1,303,766)	
76	16,211,898	(444,368)	
77	30,893,115	(846,780)	
78	19,459,947	(533,397)	
79	(16,250,000)	445,413	
80		-	-
81	938,032	(25,711)	
82	2,930,761	(80,332)	
83	(160,522)	4,400	
84	7,142,281	(195,770)	
85	(2,060,421)	56,476	
86	32,862,450	(900,760)	
87	<u>(4,765,665)</u>	<u>130,627</u>	
88			
89	\$ 134,767,209	\$ (3,693,968)	\$ 131,073,241
90			
91		<u>\$ (43,893,528)</u>	