

**EXHIBIT NO. \_\_\_(JHS-7)  
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\_\_\_**

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

**MAY 8, 2009**

**Exhibit A-1 Power Cost Rate**

Row		Test Year			Production Factor
				Test Yr	0.97259
				\$/MWh	Rate Year
3	Regulatory Assets (Variable)	\$	131,073,241		
4	Transmission Rate Base (Fixed)		102,337,940		
5	Production Rate Base (Fixed)		1,426,402,440		
6		\$	1,659,813,621		
7	Net of tax rate of return		7.38%		
8					
9					
10	Regulatory Asset Recovery (on Row 3)	\$	14,881,854	\$ 0.686	(c)
11	Fixed Asset Recovery Other (on Row 4)		11,619,292	\$ 0.535	(a)
12	Fixed Asset Recovery-Prod Factored (on Row 5)		161,951,539	\$ 7.462	(a)
13	501-Steam Fuel		81,291,979	\$ 3.746	(c)
14	555-Purchased power		655,339,688	\$ 30.197	(c)
14a	Rate Disallowances for March Point 2 & Tenaska		(5,622,298)	\$ (0.259)	(c)
15	557-Other Power Exp		6,510,798	\$ 0.300	(a)
15a	Payroll Overheads - Worker's Comp		3,679,262	\$ 0.170	(a)
15b	Property Insurance		3,371,426	\$ 0.155	(a)
15c	Montana Electric Energy Tax		1,688,936	\$ 0.078	(a)
15d	Payroll Taxes on Production Wages		1,552,412	\$ 0.072	(a)
16	547-Fuel		189,695,939	\$ 8.741	(c)
17	565-Wheeling		80,894,673	\$ 3.727	(c)
18	Variable Transmission Income		(5,322,833)	\$ (0.245)	(c)
19	Hydro and Other Pwr.		100,568,710	\$ 4.634	(a)
20	447-Sales to Others		(14,813,966)	\$ (0.683)	(c)
21	456-Subaccounts 00012 & 00018 and 00035 & 00036		(214,376)	\$ (0.010)	(c)
22	Transmission Exp - 500KV		1,456,225	\$ 0.067	(a)
23	Depreciation & Amort -Production (FERC 403)		73,272,640	\$ 3.376	(a)
24	Depreciation-Transmission		4,056,906	\$ 0.187	(a)
25	Amortization-Production Reg Assets		67,089,024	\$ 3.091	(c)
26	Property Taxes-Production		15,549,613	\$ 0.716	(a)
27	Property Taxes-Transmission		3,349,317	\$ 0.154	(a)
28	Hedging Line of Credit		297,532	\$ 0.014	(c)
29	Subtotal & Baseline Rate	\$	1,452,144,293	\$ 66.911	(b)
30	Revenue Sensitive Items		0.9557880		
31		\$	1,519,316,306		
32	Test Year DELIVERED Load (MWH's)		21,702,461		<-- includes Firm Wholesale
33					
34					
35					
36					
37					
38	Power Cost in Rates with Revenue Sensitive				
39	Items (the adjusted baseline)	\$	66.911	\$	70.006
40	sum of (a) = Fixed Rate Component	\$	17.906	\$	18.734
41	(b) = Power Cost Rate	\$	66.911	\$	70.006
42	sum of (c) = Variable Power Rate Component	\$	49.005	\$	51.272

**Exhibit A-2 Transmission Rate Base**

Row		Plant AMA 12/31/2008	AMA Accum Deprec/Amort	Net	Annualized Depreciation
7					
8					
6	TRANS - COLSTRIP 1 & 2				
7	E350 Land and Land Rights	10,247	- \$	10,247	
8	E351 Easements	685,927	(381,747)	304,179	13,033
9	E353 Station Equipment	1,231,131	(918,566)	312,565	25,977
10	E354 Towers & Fixtures	14,495,853	(8,492,049)	6,003,804	242,133
11	E355 Poles & Fixtures	49,007	(46,565)	2,442	1,480
12	E356 OH Conductors & Devices	13,158,153	(8,305,551)	4,852,602	277,687
13	E359 Roads & Trails	113,968	(63,379)	50,589	1,630
14		<u>29,744,285</u>	<u>(18,207,858)</u>	<u>11,536,427</u>	<u>561,939</u>
15					
16	TRANS - COLSTRIP 3 & 4				
17	E351 Easements	1,071,124	(583,872)	487,252	20,351
18	E352 Structures & Improvements	496,711	(273,030)	223,682	8,444
19	E353 Station Equipment	18,421,673	(10,620,107)	7,801,566	391,290
20	E354 Towers & Fixtures	20,567,247	(11,722,820)	8,844,427	343,210
21	E355 Poles & Fixtures	88,692	(29,144)	59,548	2,679
22	E356 OH Conductors & Devices	19,991,226	(12,357,296)	7,633,929	421,785
23	E359 Roads & Trails	341,015	(186,913)	154,102	4,877
24		<u>60,977,688</u>	<u>(35,773,183)</u>	<u>25,204,505</u>	<u>1,192,635</u>
25					
26	TRANS - 3RD NW-SW INTERTIE				
27	E350 Land and Land Rights	1,769,178	-	1,769,178	-
28	E352 Structures & Improvements	1,276,264	(348,009)	928,254	21,696
29	E353 Station Equipment	32,194,258	(10,684,070)	21,510,188	684,499
30	E354 Towers & Fixtures	22,781,417	(6,335,930)	16,445,487	380,450
31	E355 Poles & Fixtures	204,200	(58,389)	145,811	6,167
32	E356 OH Conductors & Devices	23,498,389	(8,830,961)	14,667,428	495,816
33	E359 Roads & Trails	59,215	(8,629)	50,586	847
35		<u>81,782,921</u>	<u>(26,265,989)</u>	<u>55,516,932</u>	<u>1,589,474</u>
36					
37	TRANS - NORTHERN INTERTIE				
38	E350 Land and Land Rights	30,604	-	30,604	
39	E354 Towers & Fixtures	5,744,097	(1,299,146)	4,444,952	95,926
40	E355 Poles & Fixtures	3,409,904	(1,063,405)	2,346,500	102,889
41	E356 OH Conductors & Devices	12,602,798	(3,731,405)	8,871,392	265,919
44		<u>21,787,403</u>	<u>(6,093,955)</u>	<u>15,693,448</u>	<u>464,735</u>
45					
46					
47	Total Transmission	<u>\$ 194,292,298</u>	<u>\$ (86,340,985)</u>	<u>\$ 107,951,312</u>	<u>\$ 3,808,783</u>
48	Accumulated Depreciation (AMA)	(86,340,985)			
49	Deferred Taxes (AMA)	(9,572,115)			
50	Transmission portion of:				
51	Colstrip Common FERC Adj, net of accum am	3,407,401			213,630
52	Colstrip Def Depr FERC Adj, net of accum am	551,341			34,493
53					
54	Total Transmission Rate Base	<u>\$ 102,337,940</u>			<u>\$ 4,056,906</u>

**Exhibit A-3 Colstrip Fixed Costs**

14	FERC	DESCRIPTION	2007 Dec In Thousands	2008 Dec In Thousands	13 MONTH AMA	ANNUITY RATE	ANNUALIZED DEPRECIATION	AMA ACUMM. DEPR.
15		COLSTRIP #1						
16	E311	Structures & Improvements	7,556	7,813	7,714,283	1.74%	133,717	(4,854,610)
17	E312	Boiler Plant Equipment	58,225	63,085	63,102,694	1.69%	1,025,076	(39,110,826)
18	E314	Turbo Generating Units	22,496	22,250	22,348,601	2.36%	528,006	(9,783,891)
19	E315	Accessory Electric Equipment	7,180	7,238	7,214,849	0.93%	67,047	(5,712,651)
20	E316	Misc. Power Plant Equipment	804	924	869,668	2.31%	19,955	(369,307)
21		TOTAL	96,261	101,310	101,250,095	1.75%	1,773,801	(59,831,285)
22		COLSTRIP #2						
23	E311	Structures & Improvements	5,943	6,200	6,101,224	1.32%	80,148	(4,493,956)
24	E312	Boiler Plant Equipment	49,814	59,733	54,857,460	1.78%	974,968	(32,592,566)
25	E314	Turbo Generating Units	20,626	26,718	23,709,296	2.29%	542,088	(9,352,306)
26	E315	Accessory Electric Equipment	5,088	5,140	5,122,131	1.36%	69,553	(3,436,092)
27	E316	Misc. Power Plant Equipment	829	954	894,667	2.38%	21,213	(367,317)
28		TOTAL	82,300	98,745	90,684,778	1.86%	1,687,970	(50,242,238)
29		COLSTRIP 1 & 2 COMMON						
30	E311	Structures & Improvements	31,349	31,278	31,346,065	1.23%	297,020	(24,894,141)
31	E312	Boiler Plant Equipment	6,222	6,222	6,222,182	1.27%	79,022	(4,623,584)
32	E314	Turbo Generating Units	3,844	3,844	3,844,103	1.24%	47,667	(3,154,543)
33	E315	Accessory Electric Equipment	2,375	2,375	2,375,376	1.14%	27,079	(1,772,102)
34	E316	Misc. Power Plant Equipment	6,273	6,273	6,272,869	1.40%	87,820	(4,556,486)
35	E317	Asset Retirement Obligation	540	540	540,097	0.00%	15,431	(439,792)
36		TOTAL	50,603	50,532	50,600,692	1.09%	554,039	(39,440,647)
37		COLSTRIP 3						
38	E311	Structures & Improvements	29,059	29,123	29,092,312	1.33%	386,908	(18,831,112)
39	E312	Boiler Plant Equipment	123,948	125,116	124,763,575	1.44%	1,793,256	(80,229,154)
40	E314	Turbo Generating Units	39,774	38,556	39,760,916	1.87%	732,387	(17,927,708)
41	E315	Accessory Electric Equipment	6,461	6,461	6,460,699	1.28%	82,697	(3,917,809)
42	E316	Misc. Power Plant Equipment	708	782	748,895	2.01%	14,972	(288,324)
43		TOTAL	199,950	200,038	200,826,397	1.50%	3,010,221	(121,194,106)
44		COLSTRIP 4						
45	E311	Structures & Improvements	26,601	26,665	26,634,323	1.42%	378,186	(16,049,763)
46	E312	Boiler Plant Equipment	107,641	108,737	108,149,373	1.64%	1,774,302	(62,159,670)
47	E314	Turbo Generating Units	37,161	36,578	37,174,577	1.92%	707,899	(16,716,826)
48	E315	Accessory Electric Equipment	5,671	5,671	5,670,535	1.40%	79,387	(3,127,221)
49	E316	Misc. Power Plant Equipment	903	973	942,407	1.93%	18,099	(384,724)
50		TOTAL	177,977	178,624	178,571,215	1.66%	2,957,874	(98,438,204)
51		COLSTRIP 3 & 4 COMMON						
52	E311	Structures & Improvements	70,568	70,553	70,566,623	1.31%	1,201,267	(45,541,114)
53	E312	Boiler Plant Equipment	16,975	16,957	16,973,911	1.49%	252,792	(9,701,624)
54	E314	Turbo Generating Units	11	11	10,515	26.55%	2,792	110,523
55	E315	Accessory Electric Equipment	7,652	7,652	7,652,070	1.28%	97,947	(4,533,013)
56	E316	Misc. Power Plant Equipment	4,594	4,594	4,594,270	1.63%	74,887	(2,407,722)
57	E317	Asset Retirement Obligation	334	334	333,978	0.00%	7,590	(216,325)
58		TOTAL	100,134	100,101	100,131,367	1.64%	1,637,274	(62,289,275)
59		COLSTRIP 1-4 COMMON						
60	E316	Misc. Power Plant Equip.	252	252	251,534	1.38%	3,471	(164,315)
61		TOTAL	252	252	251,534	1.38%	3,471	(164,315)
62								
63		Subtotal before Colstrip FERC Adjustments (Line 63 + 65)	707,477	729,602	722,316,078	1.61%	11,624,649	(431,600,071)
64		ARO - Electric Colstrip 1-4 (Acct: 23001021 - 1031) Adj (AMA is Net of Accum. Amort.)			(2,045,651)		111,231	
65		Colstrip Common FERC Adj. (AMA is Net of Accum. Amort.)			5,656,965		354,669	
66		Colstrip Def Depr FERC Adj. (AMA is Net of Accum. Amort.)			2,218,675		104,311	
67		Totals			728,146,068	1.67%	12,194,860	(431,600,071)

### Exhibit A-3 Colstrip Fixed Costs

75			
76			
77			
78			
79	Support for Revenue Requirement - Expenses		
80			<b>Amount before</b>
81	Order	Description	<b>Prod. Adj.</b>
82	50004011	Colstrip 1&2 - Supv & Eng'g - Steam Ope	\$ 77,817
83	50005011	Colstrip 3&4 - Supv & Eng'g - Steam Ope	64,129
84	50204001	Colstrip 1&2 - Steam Exp - Steam Gen Op	3,333,797
85	50205001	Colstrip 3&4 - Steam Exp - Steam Gen Op	2,284,715
86	50504001	Colstrip 1&2 - Electric Exp - Steam Gen	74,472
87	50505001	Colstrip 3&4 - Electric Exp - Steam Gen	50,121
88	50604001	Colstrip 1&2 - Misc Stm Pwr - Steam Gen	4,178,277
89	50605001	Colstrip 3&4 - Misc Stm Pwr - Steam Gen	2,603,296
90	50704001	Colstrip 1&2 - Rents - Steam Gen Oper	5,765
91	50705001	Colstrip 3&4 - Rents - Steam Gen Oper	49,870
92	51004001	Colstrip 1&2 - Supv & Eng'g - Steam Gen	955,091
93	51005001	Colstrip 3&4 - Supv & Eng'g - Steam Gen	614,707
94	51104001	Colstrip 1&2 - Structures - Steam Gen M	698,097
95	51105001	Colstrip 3&4 - Structures - Steam Gen M	734,251
96	51204001	Colstrip 1&2 - Boiler Plant - Steam Gen	7,418,214
97	51205001	Colstrip 3&4 - Boiler Plant - Steam Gen	4,153,469
98	51304001	Colstrip 1&2 - Electric Plant - Steam G	1,873,015
99	51305001	Colstrip 3&4 - Electric Plant - Steam G	520,661
100	51404001	Colstrip 1&2 -Misc Steam Plt -Steam Gen	1,529,780
101	51405001	Colstrip 3&4 -Misc Steam Plt -Steam Gen	781,195
102		Subtotal for the test year	<u>32,000,741</u>
103		Adjustment to the rate year	3,207,137
104		Subtotal on Orders	35,207,878
105		Property Taxes-Montana	10,427,003
106		Electric Energy Tax	1,736,535
107	403xxxxx	Depreciation	<u>12,194,860</u>
108			<u><u>\$ 59,566,276</u></u>

PUGET SOUND ENERGY  
 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	<b><u>O&amp;M ON PRODUCTION PROPERTY</u></b>			
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/LI)	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	<b><u>WILD HORSE EXPANSION AND MINT FARM</u></b>			
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	<b><u>O&amp;M ON REGULATORY ASSETS:</u></b>			
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	-	-	-
38	CANWEST	-	-	-
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 INFILL 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				
50	TOTAL REGULATORY AMORT (LINE 46 + LINE 48)	<u>\$ 68,979,759</u>	<u>\$ (1,890,735)</u>	<u>\$ 352,326</u>
51				
52	INCREASE(DECREASE) EXPENSE			(6,787,971)
53	INCREASE(DECREASE) FIT			2,130,741
54	INCREASE(DECREASE) NOI			<u>\$ 4,657,230</u>
55				
56	<b><u>PRODUCTION PROPERTY RATE BASE:</u></b>			
57	DEPRECIABLE PRODUCTION PROPERTY	\$ 2,480,979,950	\$ (68,003,660)	
58	LESS PRODUCTION PROPERTY ACCUM DEPR.	(1,096,832,900)	30,064,190	
59	NON-DEPRECIABLE PRODUCTION PROPERTY (Baker, Whi	94,342,575	(2,585,930)	
60	LESS PRODUCTION PROPERTY ACCUM AMORT. (Baker, W	(8,457,749)	231,827	
61	COLSTRIP COMMON FERC ADJUSTMENT	5,656,965	(155,057)	
62	COLSTRIP DEFERRED DEPRECIATION FERC ADJ.	1,667,334	(45,702)	
63	ENCOGEN AND OTHER ACQUISITION ADJUSTMENTS	193,075,346	(5,292,195)	
64	ACCUMULATED AMORTIZATION ON ACQUISITION ADJ	(8,515,583)	233,412	
65	NET PRODUCTION PROPERTY	<u>1,661,915,937</u>	<u>(45,553,116)</u>	
66	DEDUCT:			
67	LIBR. DEPREC. POST 1980 (EOP)	(192,034,521)	5,263,666	
68	OTHER DEF. TAXES (AMA)	(3,279,416)	89,889	
69	SUBTOTAL	<u>(195,313,937)</u>	<u>5,353,555</u>	
70				
71	ADJUSTMENT TO PRODUCTION RATE BASE	<u>\$ 1,466,602,000</u>	<u>\$ (40,199,561)</u>	<u>\$ 1,426,402,439</u>
72				
73	<b><u>REGULATORY ASSETS RATE BASE:</u></b>			
74	CABOT	-	-	
75	TENASKA	47,565,333	(1,303,766)	
76	BEP	16,211,898	(444,368)	
77	WHITE RIVER PLANT COSTS	30,893,115	(846,780)	
78	WHITE RIVER RELICENSING & CWIP	19,459,947	(533,397)	
79	PROCEED FROM THE SALE OF WHITE RIVER	(16,250,000)	445,413	
80	CANWEST	-	-	
81	HOPKINS RIDGE PREPAID TRANSMISSION	938,032	(25,711)	
82	GOLDENDALE FIXED COST DEFERRAL (NEW)	2,930,761	(80,332)	
83	HOPKINS RIDGE INFILL MITIGATION CREDIT	(160,522)	4,400	
84	COLSTRIP SETTLEMENT - UE-080900	7,142,281	(195,770)	
85	WESTCOAST PIPELINE CAPACITY - UE-082013	(2,060,421)	56,476	
86	MINT FARM DEFERRAL	32,862,450	(900,760)	
87	OVER-RECOVERY MAINTENANCE	(4,765,665)	130,627	
88				
89	ADJUSTMENT TO REGULATORY ASSETS RATE BASE	<u>\$ 134,767,209</u>	<u>\$ (3,693,968)</u>	<u>\$ 131,073,241</u>
90				
91	TOTAL ADJUSTMENT TO RATEBASE (LINE 73 + LINE 91)		<u>\$ (43,893,529)</u>	

**PUGET SOUND ENERGY  
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	<b>TOTAL OPERATING REVENUES</b>	<b>200,710,322</b>	<b>25,130,352</b>	<b>(175,579,969)</b>
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 POIN	-	(5,622,298)	(5,622,298)
14	SUBTOTAL PURCHASED AND INTERCHAN	\$ 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	<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 1,264,161,593</b>	<b>\$ 1,035,778,738</b>	<b>\$ (228,382,855)</b>
22				
23	INCREASE (DECREASE) OPERATING INCOM	\$ (1,063,451,271)	\$ (1,010,648,386)	\$ 52,802,886
24				
25	REDUCTION TO STATE UTILITY TAX SAVI	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>

**Exhibit D: Regulatory Assets and Liabilities net of Accumulated Amortization and Deferred Taxes (PCA Periods)**  
**PCA Period 7 (Updated as of December 31, 2008, on January 8, 2009)**  
**(White River Relicensing Expenditures True-up and ROR calc. on Goldendale Deferral and HR Mitigation)**

		12 Months Ended December 31		PCA Period		Return			
		Balance							
		net of							
Ref	Description	Asset Amort	AA & ADFIT	Asset Amort	AMA Ratebase as of	A.T. %	Amount	Pre Tax	Monthly
		(Note 1)							
10									
11	<b>Cabot Buyout</b>				G/L Accts #18230171, #19000121, and #28300461 and Order #54756012				
22	Dec 2008 \$	(1,410,000)	-	691,208	12/08 7.06%&7.00%		48,730	74,970	6,247
25									
26	<b>Tenaska</b>				G/L Accts #18230001 and #28300451 and Order #55500423				
39	Dec 2008 \$	(28,272,000)	104,886,000	118,181,042	12/08 7.06%&7.00%		8,331,763	12,818,098	1,068,175
45									
46	<b>BEP</b>				G/L Accts #18230071, #18230081, and #28300431 and Order #55500007				
55	Dec 2008 \$	(3,526,620)	20,409,483	21,608,793	12/08 7.06%&7.00%		1,523,420	2,343,723	195,310
67									
68	<b>White River Relicensing (Note 2)</b>				G/L Accts #18230641, 691, #18236021, 6031, 6041, 6051, 6061, 6071, #18230971, #19000021 and #28300011				
75	Dec 2008 \$		19,459,947	-	12/08 7.06%&7.00%		1,403,950	2,159,923	179,994
80									
81	<b>White River Plant Costs</b>				G/L Accts #18220011, 21, 31, 41 and 51 and Order #40700015 DFIT included in #28200121				
88	Dec 2008 \$	(1,494,702)	34,112,846	35,041,392	12/08 7.06%&7.00%		2,470,418	3,800,643	316,720
93									
94	<b>Canwest Liability</b>				G/L Accts #25400021, #14300061 and #19000451 and Order #547 / #456				
101	Dec 2008 \$	1,898,751	(0)	(308,547)	12/08 7.06%&7.00%		(21,753)	(33,465)	(2,789)
104									
105	<b>Hopkins Ridge Prepaid Transm (Notes 3/4)</b>				G/L Accts #18230231, #18230371, Orders #56500011 and #56500021				
111	Dec 2008 \$	(1,992,888)	4,272,174	6,016,809	12/08 7.06%&7.00%		424,185	652,592	54,383
117									
118	<b>Goldendale Fixed Cost Deferral</b>				G/L Accts #18230381, 391, #28300541 and #28300551 and Order #40730041				
119	Dec 2008 \$	(693,692)	7,665,067	(693,692)	12/08 7.06%&7.00%		91,147	140,226	11,686
124									
125	<b>Hopkins Ridge Mitigation Credit</b>				G/L Accts #25400171 and #19000561 and Order #55500017				
126	Dec 2008 \$	241,917	(1,729,704)	(464,682)	12/08 7.06%&7.00%		(5,421)	(8,340)	(695)
129									
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**Note (1)** Amounts in these columns are net of accumulated amortization AND the associated Deferred FIT liability / asset.

**Note (2)** During the 2004 General Rate Case filed under WUTC Docket No. UE-040640, et al., it was agreed that the return of the White River Relicensing costs would be delayed until the sale of White River is complete. At that time, the Commission can make a final determination in a separate proceeding regarding the application of the proceeds against the deferred costs and the disposition of any remaining balance.

Period	From	To	Asset Amort	AMA Ratebase as of	A.T. %	Amount	Pre Tax	Monthly
PCA #7	Jan 2008	Dec 2008	(35,249,234)	208,492,804	12/08 7.06%&7.00%	14,266,440	21,948,369	1,829,031
			-	-				

(Annualized)