

**EXHIBIT NO. ___(JHS-11)
DOCKET NO. UE-072300/UG-072301
2007 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-072300
Docket No. UG-072301**

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

APRIL 11, 2008

PUGET SOUND ENERGY-ELECTRIC
RESULTS OF OPERATIONS
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2007
GENERAL RATE INCREASE

Exhibit No. ___(JHS-11)
Summary

LINE NO.	REVISED ACTUAL RESULTS OF OPERATION	REVISED TOTAL ADJUSTMENTS	REVISED ADJUSTED RESULTS OF OPERATIONS	REVISED REVENUE REQUIREMENT DEFICIENCY	REVISED AFTER RATE INCREASE
1	<u>OPERATING REVENUES:</u>				
2	\$ 1,785,744,016	\$ 50,403,953	\$ 1,836,147,969	\$ 179,335,184	\$ 2,015,483,153
3	374,331	(18,584)	355,747	340,165	695,912
4	268,574,887	(253,870,421)	14,704,466		14,704,466
5	43,280,356	(5,132,604)	38,147,752	-	38,147,752
6	2,097,973,590	(208,617,656)	1,889,355,934	179,675,349	2,069,031,283
7					
8	<u>OPERATING REVENUE DEDUCTIONS:</u>				
9					
10	<u>POWER COSTS:</u>				
11	\$ 118,473,661	\$ 61,644,432	\$ 180,118,093	\$ -	\$ 180,118,093
12	1,017,118,800	(242,409,262)	774,709,539		774,709,539
13	65,628,548	3,995,502	69,624,050		69,624,050
14	(84,819,852)	84,819,852	(0)		(0)
15	1,116,401,157	(91,949,476)	1,024,451,681	-	1,024,451,681
16					
17	\$ 79,069,006	\$ 17,114,217	\$ 96,183,223	\$ -	\$ 96,183,223
18	6,532,375	3,735,273	10,267,648		10,267,648
19	67,507,444	156,852	67,664,296		67,664,296
20	37,171,867	2,221,971	39,393,838	629,300	40,023,138
21	9,736,024	(7,707,718)	2,028,306		2,028,306
22	32,494,479	(32,489,368)	5,111		5,111
23	76,980,894	4,739,380	81,720,275	359,351	82,079,625
24	160,277,383	13,996,426	174,273,810		174,273,810
25	30,986,683	1,945,772	32,932,455		32,932,455
26	5,380,486	18,925,681	24,306,167		24,306,167
27	(11,616,918)	13,027,907	1,410,990		1,410,990
28	887,595	(887,595)	-		-
29	171,491,627	(55,117,666)	116,373,961	6,934,462	123,308,424
30	(5,105,994)	(36,314,847)	(41,420,841)	60,113,281	18,692,440
31	67,629,351	20,098,806	87,728,156		87,728,156
32	\$ 1,845,823,459	\$ (128,504,383)	\$ 1,717,319,076	\$ 68,036,394	\$ 1,785,355,470
33					
34	\$ 252,150,131	(80,113,273)	172,036,858	111,638,955	283,675,813
35					
36	\$ 3,189,766,299	\$ 108,789,722	\$ 3,298,556,021	\$ -	\$ 3,298,556,021
37					
38		7.90%	5.22%		8.60%
39					
40	<u>RATE BASE:</u>				
41	\$ 5,564,169,427	\$ 335,863,508	\$ 5,900,032,935		
42	(2,277,237,104)	(146,844,745)	(2,424,081,849)		
43	313,780,159	(67,581,957)	246,198,202		
44	(432,609,629)	(12,647,085)	(445,256,714)		
45	95,445,435	-	95,445,435		
46	(73,781,988)	-	(73,781,988)		
47	\$ 3,189,766,299	\$ 108,789,722	\$ 3,298,556,021		

(Note) Amounts presented in bold italic type have changed since the December 3, 2007 original filing.

PUGET SOUND ENERGY-ELECTRIC
STATEMENT OF OPERATING INCOME AND ADJUSTMENTS
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2007
RESTATING AND PRO FORMA ADJUSTMENTS

Exhibit No. (JHS-11)
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LINE NO.	REVISED ACTUAL RESULTS OF OPERATIONS	REVISED TEMPERATURE NORMALIZATION 11.01	REVISED REVENUES & EXPENSES 11.02	REVISED POWER COSTS 11.03	REVISED FEDERAL INCOME TAX 10.04	REVISED TAX BENEFIT OF PRO FORMA INTEREST 11.05	REVISED HOPKINS RIDGE INFILL 11.06	REVISED WILD HORSE WIND PLANT 11.07	REVISED GOLDENDALE 11.08
1	OPERATING REVENUES								
2	SALES TO CUSTOMERS	\$ 1,785,744,016	\$ (12,020,016)	\$ 80,020,082	\$ -	\$ -	-		
3	SALES FROM RESALE-FIRM	374,331	(2,951)	(15,633)					
4	SALES TO OTHER UTILITIES	268,574,887			(253,870,421)				
5	OTHER OPERATING REVENUES	43,280,356		(453,676)	(4,715,658)				
6	TOTAL OPERATING REVENUES	\$ 2,097,973,590	\$ (12,022,967)	\$ 79,550,773	\$ (258,586,079)	\$ -	\$ -	\$ -	\$ -
7									
8	OPERATING REVENUE DEDUCTIONS:								
9									
10	POWER COSTS:								
11	FUEL	\$ 118,473,661	\$ -	\$ -	\$ 60,808,924	\$ -	-		
12	PURCHASED AND INTERCHANGED	1,017,118,800			(248,520,412)		(1,451,500)		
13	WHEELING	65,628,548			3,829,741				
14	RESIDENTIAL EXCHANGE	(84,819,852)			-				
15	TOTAL PRODUCTION EXPENSES	\$ 1,116,401,157	\$ -	\$ -	\$ (183,881,747)	\$ -	\$ (1,451,500)	\$ -	\$ -
16									
17	OTHER POWER SUPPLY EXPENSES	\$ 79,069,006	\$ -	\$ -	\$ 16,327,780	\$ -	-		
18	TRANSMISSION EXPENSE	6,532,375			(39,233)				
19	DISTRIBUTION EXPENSE	67,507,444							
20	CUSTOMER ACCTS EXPENSES	37,171,867	(42,110)	278,621					
21	CUSTOMER SERVICE EXPENSES	9,736,024							
22	CONSERVATION AMORTIZATION	32,494,479							
23	ADMIN & GENERAL EXPENSE	76,980,894	(24,046)	159,102			9,545		69,049
24	DEPRECIATION	160,277,383					571,980	3,371,987	1,771,083
25	AMORTIZATION	30,986,683							
26	AMORTIZ OF PROPERTY GAIN/LOSS	5,380,486							
27	OTHER OPERATING EXPENSES	(11,616,918)							
28	FAS 133	887,595							
29	TAXES OTHER THAN INCOME TAXES	171,491,627	(464,019)	3,070,214	(23,005)		38,900		(250,360)
30	INCOME TAXES	(5,105,994)	(4,022,477)	26,614,993	(31,839,456)	(12,251,184)	2,926,968	290,876	(1,180,195)
31	DEFERRED INCOME TAXES	67,629,351			22,077,426				(556,420)
32	TOTAL OPERATING REV. DEDUCT.	\$ 1,845,823,459	\$ (4,552,652)	\$ 30,122,930	\$ (199,455,660)	\$ 9,826,242	\$ 2,926,968	\$ (540,198)	\$ 2,191,792
33									\$ 1,033,352
34	NET OPERATING INCOME	\$ 252,150,131	\$ (7,470,315)	\$ 49,427,844	\$ (59,130,419)	\$ (9,826,242)	\$ (2,926,968)	\$ 540,198	\$ (2,191,792)
35									\$ (1,033,352)
36	RATE BASE	\$ 3,189,766,299					\$ 10,325,850	\$ 62,547,669	\$ 48,370,961
37									
38	RATE OF RETURN	7.90%							
39									
40	RATE BASE:								
41	GROSS UTILITY PLANT IN SERVICE	\$ 5,564,169,427	\$ -	\$ -	\$ -	\$ -	\$ 13,240,285	\$ 76,704,231	\$ 132,414,991
42	ACCUM DEPR AND AMORT	(2,277,237,104)					(466,941)	(3,217,691)	(79,710,913)
43	DEFERRED DEBITS	313,780,159					(2,177,250)		
44	DEFERRED TAXES	(432,609,629)					(270,244)	(10,938,871)	(4,333,117)
45	ALLOWANCE FOR WORKING CAPITAL	95,445,435							
46	OTHER	(73,781,988)							
47	TOTAL RATE BASE	\$ 3,189,766,299	\$ -	\$ -	\$ -	\$ -	\$ 10,325,850	\$ 62,547,669	\$ 48,370,961

(Note) Amounts presented in bold italic type have changed since the December 3, 2007 original filing.

PUGET SOUND ENERGY-ELECTRIC
STATEMENT OF OPERATING INCOME AND ADJUSTMENTS
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2007
RESTATING AND PRO FORMA ADJUSTMENTS

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LINE NO.	SUMAS 11.09	WHITEHORN 11.10	BAKER HYDRO RELICENSING 11.11	REVISED PASS-THROUGH REVS. & EXPS. 11.12	REVISED BAD DEBTS 11.13	REVISED MISCELLANEOUS OPERATING EXPENSE 11.14	REVISED PROPERTY TAXES 11.15	EXCISE TAX & FILING FEE 11.16	D&O INSURANCE 11.17
1	OPERATING REVENUES								
2	SALES TO CUSTOMERS								
3	SALES FROM RESALE-FIRM								
4	SALES TO OTHER UTILITIES								
5	OTHER OPERATING REVENUES								
6	\$ -	\$ -	\$ -	\$ (17,559,384)	\$ -	\$ -	\$ -	\$ -	\$ -
7									
8	OPERATING REVENUE DEDUCTIONS:								
9									
10	POWER COSTS:								
11	FUEL								
12	PURCHASED AND INTERCHANGED								
13	WHEELING								
14	RESIDENTIAL EXCHANGE								
15	\$ -	\$ -	\$ -	\$ 84,819,852	\$ -	\$ -	\$ -	\$ -	\$ -
16									
17	OTHER POWER SUPPLY EXPENSES								
18	TRANSMISSION EXPENSE								
19	DISTRIBUTION EXPENSE								
20	CUSTOMER ACCTS EXPENSES								
21	CUSTOMER SERVICE EXPENSES								
22	CONSERVATION AMORTIZATION								
23	649,560			(113,960)		1,835,171		(110,841)	35,809
24	1,720,732	600,667							
25		1,679,273	738,009						
26	AMORTIZ OF PROPERTY GAIN/LOSS								
27	OTHER OPERATING EXPENSES								
28	FAS 133								
29	TAXES OTHER THAN INCOME TAXES								
30	(829,602)	(797,979)	(258,303)	(60,450,326)	(284,255)	(2,035,873)	3,753,382	(588,458)	(12,533)
31	DEFERRED INCOME TAXES								
32	\$ 1,540,690	\$ 1,481,961	\$ 479,706	\$ (16,584,583)	\$ 527,902	\$ 3,780,906	\$ 2,439,698	\$ (454,544)	\$ 23,276
33									
34	\$ (1,540,690)	\$ (1,481,961)	\$ (479,706)	\$ (974,801)	\$ (527,902)	\$ (3,780,906)	\$ (2,439,698)	\$ 454,544	\$ (23,276)
35									
36	\$ 24,744,721	\$ 15,270,982	\$ 32,595,386			\$ 3,122,978			
37									
38	RATE OF RETURN								
39									
40	RATE BASE:								
41	\$ 99,273,738	\$ 31,821,167	\$ 33,210,393		\$ -	\$ 3,122,978	\$ -	\$ -	\$ -
42	(74,483,303)	(16,632,395)	(615,007)						
43	DEFERRED DEBITS								
44	(45,714)	82,210							
45	ALLOWANCE FOR WORKING CAPITAL								
46	OTHER								
47	\$ 24,744,721	\$ 15,270,982	\$ 32,595,386		\$ -	\$ 3,122,978	\$ -	\$ -	\$ -

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PUGET SOUND ENERGY-ELECTRIC
STATEMENT OF OPERATING INCOME AND ADJUSTMENTS
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2007
RESTATING AND PRO FORMA ADJUSTMENTS

Exhibit No. ___(JHS-11)
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LINE NO.	REVISED MONTANA ELECTRIC ENERGY TAX 11.18	REVISED INTEREST ON CUST DEPOSITS 11.19	SFAS 133 11.20	RATE CASE EXPENSES 11.21	DEFERRED G/L ON PROPERTY SALES 11.22	REVISED PROPERTY & LIABILITY INS 11.23	PENSION PLAN 11.24	REVISED WAGE INCREASE 11.25	REVISED INVESTMENT PLAN 11.26	REVISED EMPLOYEE INSURANCE 11.27
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								136,518		
13 WHEELING										
14 RESIDENTIAL EXCHANGE										
15 TOTAL PRODUCTION EXPENSES	\$	-	-	-	-	-	-	136,518	\$	-
16										
17 OTHER POWER SUPPLY EXPENSES	\$	-	-	-	-	-	-	673,611	\$	-
18 TRANSMISSION EXPENSE								50,252		
19 DISTRIBUTION EXPENSE								1,545,808		
20 CUSTOMER ACCTS EXPENSES			350,242					737,654		
21 CUSTOMER SERVICE EXPENSES								91,201		
22 CONSERVATION AMORTIZATION										
23 ADMIN & GENERAL EXPENSE				(202,239)		524,664	(697,946)	914,282	177,142	1,516,481
24 DEPRECIATION										
25 AMORTIZATION										
26 AMORTIZ OF PROPERTY GAIN/LOSS										
27 OTHER OPERATING EXPENSES					(968,668)					
28 FAS 133			\$ (887,595)							
29 TAXES OTHER THAN INCOME TAXES	67,848							246,856		
30 INCOME TAXES	(23,747)			\$ 70,784	339,034	(183,632)	244,281	(1,538,664)	(62,000)	(530,768)
31 DEFERRED INCOME TAXES			310,658							
32 TOTAL OPERATING REV. DEDUCT.	\$	44,101	\$ 350,242	\$ (576,937)	\$ (131,455)	\$ (629,634)	\$ (453,665)	\$ 2,857,518	\$ 115,142	\$ 985,713
33										
34 NET OPERATING INCOME	\$	(44,101)	\$ (350,242)	\$ 576,937	\$ 131,455	\$ 629,634	\$ (453,665)	\$ (2,857,518)	\$ (115,142)	\$ (985,713)
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	\$	-	-	-	-	-	-	-	-	-

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PUGET SOUND ENERGY-ELECTRIC
STATEMENT OF OPERATING INCOME AND ADJUSTMENTS
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2007
RESTATING AND PRO FORMA ADJUSTMENTS

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LINE NO.	REVISED INCENTIVE PAY 11.28	REVISED MONTANA CORP LICENSE TAX 11.29	AMORT GLDL FIXED COST DEFRL 11.30	REVISED STORM DAMAGE 11.31	REVISED REG ASSETS & LIABILITIES 11.32	REVISED DEPRECIATION STUDY 11.33	SKAGIT FACILITY 11.34	REVISED PRODUCTION ADJUSTMENT 11.35	REVISED TOTAL ADJUSTMENTS	REVISED ADJUSTED RESULTS OF OPERATIONS
1	OPERATING REVENUES									
2		\$ -		\$ -	\$ -			\$ -	\$ 50,403,953	\$ 1,836,147,969
3									(18,584)	355,747
4									(253,870,421)	14,704,466
5									(5,132,604)	38,147,752
6	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (208,617,656)	\$ 1,889,355,934
7										
8	OPERATING REVENUE DEDUCTIONS:									
9										
10	POWER COSTS:									
11		\$ -		\$ -	\$ 835,508			\$ -	\$ 61,644,432	\$ 180,118,093
12	36,040				8,531,002			(1,140,910)	(242,409,262)	774,709,539
13					233,651			(67,890)	3,995,502	69,624,050
14									84,819,852	(0)
15	\$ 36,040	\$ -	\$ -	\$ -	\$ 9,600,161	\$ -	\$ -	\$ (1,208,799)	\$ (91,949,476)	\$ 1,024,451,681
16										
17	\$ 139,975	\$ -		\$ -				\$ (27,149)	\$ 17,114,217	\$ 96,183,223
18	8,702				(301,025)				3,735,273	10,267,648
19	286,329				(2,707,978)				156,852	67,664,296
20	146,908								2,221,971	39,393,838
21	21,815								(7,707,718)	2,028,306
22									(32,489,368)	5,111
23	235,965						(70,403)	(167,954)	4,739,380	81,720,275
24							1,316,021	(2,212,719)	13,996,426	174,273,810
25						(138,850)		(332,660)	1,945,772	32,932,455
26				18,975,559				(49,878)	18,925,681	24,306,167
27			15,005,651					-	13,027,907	1,410,990
28									(887,595)	-
29	63,403							(579,861)	(55,117,666)	116,373,961
30	(328,698)	139,983	(5,251,978)	(5,588,294)	(881,559)	2,289,279	(435,967)	1,256,362	(36,314,847)	(41,420,841)
31						(2,289,279)			20,098,806	87,728,156
32	\$ 610,439	\$ 139,983	\$ 9,753,673	\$ 10,378,261	\$ 8,718,601	\$ 6,717,824	\$ 809,652	\$ (3,322,658)	\$ (128,504,383)	\$ 1,717,319,076
33										
34	\$ (610,439)	\$ (139,983)	\$ (9,753,673)	\$ (10,378,261)	\$ (8,718,601)	\$ (6,717,824)	\$ (809,652)	\$ 3,322,658	\$ (80,113,273)	\$ 172,036,858
35										
36			\$ 6,763,253		\$ (69,560,204)	\$ (2,214,273)	\$ 19,640,179	\$ (42,817,779)	\$ 108,789,722	\$ 3,298,556,021
37										
38	RATE OF RETURN									
39										
40	RATE BASE:									
41		\$ -		\$ -			20,948,406	(74,872,680)	\$ 335,863,508	\$ 5,900,032,935
42						\$ (3,358,912)	\$ (1,728,642)	33,369,060	(146,844,745)	(2,424,081,849)
43			10,405,385		(69,560,204)			(6,249,887)	(67,581,957)	246,198,202
44			(3,642,131)			1,144,639	420,415	4,935,728	(12,647,085)	(445,256,714)
45									-	95,445,435
46									-	(73,781,988)
47	\$ -	\$ -	\$ 6,763,253	\$ -	\$ (69,560,204)	\$ (2,214,273)	\$ 19,640,179	\$ (42,817,779)	\$ 108,789,722	\$ 3,298,556,021

(Note) Amounts presented in bold italic type have changed since the December 3, 2007 original filing.

**PUGET SOUND ENERGY-ELECTRIC
TEMPERATURE NORMALIZATION
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2007
GENERAL RATE INCREASE**

LINE NO.	DESCRIPTION				
1	<u>TEMPERATURE NORMALIZATION ADJUSTMENT:</u>				
2		ACTUAL	TEMP ADJ	MWH	ADJ FOR LOSSES
3		<u>GPI MWH</u>	<u>GPI MWH</u>	<u>CHANGE</u>	<u>6.70%</u>
4	Oct-06	1,845,737	1,828,265	(17,471)	(16,301)
5	Nov-06	2,117,926	2,095,938	(21,988)	(20,515)
6	Dec-06	2,265,270	2,261,757	(3,513)	(3,278)
7	Jan-07	2,453,629	2,355,941	(97,687)	(91,142)
8	Feb-07	1,987,908	1,994,880	6,972	6,505
9	Mar-07	2,039,569	2,047,347	7,778	7,257
10	Apr-07	1,823,887	1,818,523	(5,364)	(5,005)
11	May-07	1,728,115	1,730,060	1,945	1,815
12	Jun-07	1,630,303	<i>1,634,295</i>	<i>3,992</i>	<i>3,725</i>
13	Jul-07	1,721,998	1,703,413	(18,585)	(17,340)
14	Aug-07	1,694,124	1,701,516	7,392	6,897
15	Sep-07	1,652,397	<i>1,650,724</i>	<i>(1,673)</i>	<i>(1,561)</i>
16		<u>22,960,863</u>	<u><i>22,822,660</i></u>	<u><i>(138,203)</i></u>	<u><i>(128,943)</i></u>
17					
18	REVENUE ADJUSTMENT:	Schedule 7		<i>(111,115)</i>	\$ <i>(10,596,704)</i>
19		Schedule 24		<i>(19,192)</i>	<i>(1,556,957)</i>
20		Schedule 25		<i>(526)</i>	<i>(33,418)</i>
21		Schedule 26		<i>8,717</i>	<i>529,236</i>
22		Schedule 29		<i>(19)</i>	<i>(1,037)</i>
23		Schedule 31		<i>(4,303)</i>	<i>(236,515)</i>
24		Schedule 35		-	-
25		Schedule 43		<i>(1,679)</i>	<i>(87,241)</i>
26		Schedule 40		<i>(742)</i>	<i>(37,380)</i>
27		Firm Resale		<i>(84)</i>	<i>(2,951)</i>
28	INCREASE (DECREASE) SALES TO CUSTOMERS				\$ <i>(12,022,967)</i>
29					
30	UNCOLLECTIBLES @			<i>0.0035024</i>	\$ <i>(42,110)</i>
31	ANNUAL FILING FEE @			<i>0.0020000</i>	<i>(24,046)</i>
31	INCREASE (DECREASE) EXPENSES				<i>(66,156)</i>
32					
33	STATE UTILITY TAX @			<i>0.0385944</i>	\$ <i>(464,019)</i>
34	INCREASE (DECREASE) TAXES OTHER				<i>(464,019)</i>
35					
36	INCREASE (DECREASE) INCOME				<i>(11,492,792)</i>
37					
38	INCREASE (DECREASE) FIT @			35%	<i>(4,022,477)</i>
39	INCREASE (DECREASE) NOI				<u><i>(7,470,315)</i></u>

(Note) Amounts presented in bold italic type have changed since the December 3, 2007 original filing.

**PUGET SOUND ENERGY-ELECTRIC
REVENUES AND EXPENSES
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2007
GENERAL RATE INCREASE**

LINE NO. DESCRIPTION	ADJUSTMENT
1 SALES TO CUSTOMERS:	
2 RESTATING ADJUSTMENTS:	
3 ADD GRC INCREASE DOCKET 060266	\$ 53,812,830
4 ADD PCORC INCREASE DOCKET 070565	65,246,061
5 REMOVE PCORC INCREASE DOCKET 050870	(65,899,195)
6 REMOVE SCHEDULE 95A PRODUCTION TAX CREDITS	25,989,318
7 REMOVE GEORGIA PACIFIC STEAM SALES	(765,692)
8 MISCELLANEOUS RESTATING ADJUSTMENT	2,059,713
9 RESTATING ADJUSTMENTS SALES TO CUSTOMERS	<u>80,443,036</u>
10	
11 PROFORMA ADJUSTMENTS:	
12 MISCELLANEOUS PROFORMA ADJUSTMENTS	(422,954)
13 PROFORMA ADJUSTMENTS SALES TO CUSTOMERS	<u>(422,954)</u>
14	
15 TOTAL INCREASE (DECREASE) SALES TO CUSTOMERS	\$ 80,020,082
16	
17 SALES FOR RESALE - SMALL FIRM	
18 MISCELLANEOUS RESTATING ADJUSTMENT	<u>(15,633)</u>
19	
20 TOTAL INCREASE (DECREASE) SALES FOR RESALE - SMALL FIRM	(15,633)
21	
22 OTHER OPERATING REVENUES	
23 POLE ATTACHMENT REVENUES	(426,324)
24 MISCELLANEOUS RESTATING ADJUSTMENT	<u>(27,352)</u>
25	
26 TOTAL INCREASE (DECREASE) OTHER OPERATING REVENUE	<u>(453,676)</u>
27	
28 TOTAL INCREASE (DECREASE) REVENUES	79,550,773
29	
30 UNCOLLECTIBLES @	0.0035024 \$ 278,621
31 ANNUAL FILING FEE @	0.0020000 <u>159,102</u>
32 INCREASE (DECREASE) EXPENSES	437,722
33	
34 STATE UTILITY TAX @	0.0385944 \$ 3,070,214
35 REMOVE MUNICIPAL TAX EXPENSED	
36 INCREASE (DECREASE) TAXES OTHER	<u>3,070,214</u>
37	
38 INCREASE (DECREASE) INCOME	76,042,837
39	
40 INCREASE (DECREASE) FIT @	35% <u>26,614,993</u>
41 INCREASE (DECREASE) NOI	<u><u>\$ 49,427,844</u></u>

(Note) Amounts presented in bold italic type have changed since the December 3, 2007 original filing.

**PUGET SOUND ENERGY-ELECTRIC
POWER COSTS
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2007
GENERAL RATE INCREASE**

LINE NO. DESCRIPTION	ACTUAL	PROFORMA	INCREASE (DECREASE)
1 SALES FOR RESALE	\$ 268,574,887	\$ 14,704,466	\$ (253,870,421)
2			
3 PURCHASES/SALES OF NON-CORE GAS	4,267,784	149,656	(4,118,128)
4 WHEELING FOR OTHERS	10,583,713	9,986,183	(597,530)
5	14,851,497	10,135,839	(4,715,658)
6			
7 TOTAL OPERATING REVENUES	283,426,385	24,840,306	(258,586,079)
8			
9 FUEL	\$ 119,309,169	\$ 180,118,093	\$ 60,808,924
10			
11 PURCHASED AND INTERCHANGED	990,181,182	749,834,601	(240,346,581)
12 HEDGING		285,295	285,295
13 RATE DISALLOWANCES FOR MARCH POINT 2 AND TENASKA	-	(8,459,126)	(8,459,126)
14 SUBTOTAL PURCHASED AND INTERCHANGED	\$ 990,181,182	\$ 741,660,770	\$ (248,520,412)
15 WHEELING	63,827,743	67,657,484	3,829,741
16			-
17 TOTAL PRODUCTION EXPENSES	\$ 1,173,318,094	\$ 989,436,347	\$ (183,881,747)
18 HYDRO AND OTHER POWER	79,069,006	95,396,787	16,327,780
19 TRANS. EXP. INCL. 500KV O&M	1,175,688	1,136,455	(39,233)
20			
21 TOTAL OPERATING EXPENSES	\$ 1,253,562,789	\$ 1,085,969,589	\$ (167,593,199)
22			
23 INCREASE (DECREASE) OPERATING INCOME (LINE 7 - LINE 21)	\$ (970,136,404)	\$ (1,061,129,284)	\$ (90,992,880)
24			
25 REDUCTION TO STATE UTILITY TAX SAVINGS FOR LINE 4	3.85%		(23,005)
26 INCREASE (DECREASE) INCOME			\$ (90,969,875)
27 INCREASE (DECREASE) FIT @	35%		(31,839,456)
28 INCREASE (DECREASE) NOI			\$ (59,130,419)

(Note) Amounts presented in bold italic type have changed since the December 3, 2007 original filing.

**PUGET SOUND ENERGY-ELECTRIC
FEDERAL INCOME TAX
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2007
GENERAL RATE INCREASE**

LINE NO.	DESCRIPTION	AMOUNT
1	TAXABLE INCOME (LOSS)	\$ (49,591,937)
2		
3	FEDERAL INCOME TAX EXPENSE (BENEFIT) @ 35%	(17,357,178)
4	CURRENTLY PAYABLE	<u>\$ (17,357,178)</u>
5		
6	DEFERRED FIT - DEBIT	\$ 107,781,393
7	DEFERRED FIT - CREDIT	(15,735,819)
8	ADDITIONAL DEFERRED CREDITS	<u>(2,338,797)</u>
9	TOTAL RESTATED FIT	<u>\$ 72,349,599</u>
10		
11	FIT PER BOOKS:	
12	CURRENTLY PAYABLE	\$ (5,105,994)
13	DEFERRED FIT - DEBIT	130,274,336
14	DEFERRED FIT - CREDIT	(62,644,985)
15	DEFERRED FIT - INV TAX CREDIT, NET OF AMORT.	-
16	TOTAL CHARGED TO EXPENSE	<u>\$ 62,523,357</u>
17		-
18	INCREASE(DECREASE) FIT	(12,251,184)
19	INCREASE(DECREASE) DEFERRED FIT	<u>22,077,426</u>
20	INCREASE(DECREASE) NOI	<u><u>\$ (9,826,242)</u></u>

(Note) Amounts presented in bold italic type have changed since the December 3, 2007 original filing.

**PUGET SOUND ENERGY-ELECTRIC
TAX BENEFIT OF PRO FORMA INTEREST
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2007
GENERAL RATE INCREASE**

LINE NO.	DESCRIPTION	AMOUNT
1	RATE BASE	\$ 3,298,556,021
2	DEDUCTIBLE CWIP	110,892,663
3	NET RATE BASE	<u>\$ 3,409,448,684</u>
4		
5	WEIGHTED COST OF DEBT	3.74%
6	PROFORMA INTEREST	<u>\$ 127,513,381</u>
7		
8		
9	<u>INTEREST EXPENSE ITEMS PER BOOKS:</u>	
10	INTEREST ON LONG TERM DEBT	\$ 118,172,916
11	AMORTIZATION OF DEBT DISCOUNT	
12	AND EXPENSE, NET OF PREMIUMS	2,105,623
13	INTEREST ON DEBT TO ASSOCIATED	
14	ASSOCIATED COMPANIES	892,584
15	OTHER INTEREST EXPENSE	15,055,265
16	LESS: INTEREST ON CUSTOMER DEPOSITS	<u>(350,242)</u>
17	CHARGED TO EXPENSE IN TEST YEAR	<u>135,876,145</u>
18		
19	INCREASE (DECREASE) INCOME	\$ 8,362,764
20		
21	INCREASE (DECREASE) FIT @	35% <u>2,926,968</u>
22	INCREASE (DECREASE) NOI	<u><u>\$ (2,926,968)</u></u>

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**PUGET SOUND ENERGY-ELECTRIC
HOPKINS RIDGE INFILL PROJECT
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2007
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	\$	- \$ 13,240,285	\$ 13,240,285
4 ACCUM DEPRECIATION		(466,941)	(466,941)
5 DEFERRED INCOME TAX LIABILITY		(1,007,021)	(1,007,021)
6 NET HOPKINS RIDGE INFILL PLANT RATEBASE	\$	- \$ 11,766,323	\$ 11,766,323
7			
8 <u>REGULATORY LIABILITY RATEBASE</u>			
9 HOPKINS RIDGE INFILL MITIGATION CREDIT	\$	- \$ (2,903,000)	\$ (2,903,000)
10 ACCUM AMORTIZATION		725,750	725,750
11 DEFERRED INCOME TAX ASSET		736,776	736,776
12 NET REGULATORY LIABILITY	\$	- \$ (1,440,474)	\$ (1,440,474)
13			
14 OVERALL INCREASE TO RATEBASE	\$	- \$ 10,325,850	\$ 10,325,850
15			
16 <u>HOPKINS RIDGE INFILL OPERATING EXPENSE</u>			
17 DEPRECIATION EXPENSE	\$	- \$ 571,980	\$ 571,980
18 PROPERTY INSURANCE		9,545	9,545
19 PROPERTY TAXES		38,900	38,900
20 TOTAL OPERATING EXPENSES	\$	- \$ 620,426	\$ 620,426
21			
22 <u>POWER COST ASSOCIATED WITH HOPKINS RIDGE INFILL</u>			
23 AMORTIZATION OF MITIGATION CREDIT - REG LIAB	\$	- \$ (1,451,500)	\$ (1,451,500)
24 TOTAL POWER COSTS	\$	- \$ (1,451,500)	\$ (1,451,500)
25			
26 INCREASE (DECREASE) OPERATING EXPENSE			(831,074)
27			
28 INCREASE (DECREASE) FIT @		35%	290,876
29 INCREASE (DECREASE) NOI			\$ 540,198

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**PUGET SOUND ENERGY-ELECTRIC
WILD HORSE WIND PLANT
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2007
GENERAL RATE INCREASE**

LINE NO. DESCRIPTION	TEST YEAR	PROFORMA	ADJUSTMENT
1 <u>WILD HORSE RATE BASE</u>			
2 PLANT BALANCE	\$ 294,039,590	\$ 370,743,821	\$ 76,704,231
3 ACCUMULATED DEPRECIATION	(4,334,788)	<i>(7,552,479)</i>	<i>(3,217,691)</i>
4 DEFERRED TAX LIABILITY	(19,850,576)	<i>(30,939,082)</i>	<i>(11,088,506)</i>
5 DEFERRED TAX ASSET	188,678	<i>338,313</i>	<i>149,635</i>
6 WILD HORSE RATE BASE	<u>\$ 270,042,904</u>	<u>\$ 332,590,573</u>	<u>\$ 62,547,669</u>
7			
8 <u>WILD HORSE OPERATING EXPENSES:</u>			
9			
10 DEPRECIATION EXPENSE	<i>\$ 10,970,072</i>	<i>\$ 14,342,059</i>	<i>\$ 3,371,987</i>
11			
12 INCREASE (DECREASE) EXPENSE			<i>3,371,987</i>
13			
14 INCREASE (DECREASE) FIT @		35%	<i>(1,180,195)</i>
15 INCREASE (DECREASE) NOI			<u><i>\$ (2,191,792)</i></u>

(Note) Amounts presented in bold italic type have changed since the December 3, 2007 original filing.

**PUGET SOUND ENERGY-ELECTRIC
GOLDENDALE
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2007
GENERAL RATE INCREASE**

LINE NO.	DESCRIPTION	TEST YEAR	ADJUSTED RATE YEAR	ADJUSTMENT
1	<u>GOLDENDALE RATEBASE</u>			
2	PLANT BALANCE	\$ 190,398,571	\$ 322,813,562	\$ 132,414,991
3	ACCUM DEPRECIATION	(114,167,676)	(193,878,589)	(79,710,913)
4	DFIT DEPRECIATION	(85,103)	(2,339,847)	(2,254,744)
5	DFIT RETIREMENTS		(2,078,373)	(2,078,373)
6	NET GOLDENDALE PLANT RATEBASE	<u>\$ 76,145,792</u>	<u>\$ 124,516,753</u>	<u>\$ 48,370,961</u>
7				
8	<u>GOLDENDALE OPERATING EXPENSE</u>			
9	DEPRECIATION EXPENSE	2,880,942	4,983,644	2,102,703
10	DEPR. EXP INCLUDED 4.33 DEPR. STUDY	(2,880,942)	(3,212,561)	(331,619)
11	PROPERTY INSURANCE	78,101	147,150	69,049
12	PROPERTY TAXES	1,142,289	891,929	(250,360)
13	TOTAL OPERATING EXPENSES	<u>\$ 1,220,390</u>	<u>\$ 2,810,162</u>	<u>\$ 1,589,772</u>
14				
15	INCREASE (DECREASE) OPERATING EXPENSE			1,589,772
16				
17	INCREASE (DECREASE) FIT @		35%	(556,420)
18	INCREASE (DECREASE) NOI			<u><u>\$ (1,033,352)</u></u>

(Note) Amounts presented in bold italic type have changed since the December 3, 2007 original filing.

**PUGET SOUND ENERGY-ELECTRIC
SUMAS
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2007
GENERAL RATE INCREASE**

LINE NO.	DESCRIPTION	TEST YEAR	ADJUSTED RATE YEAR	ADJUSTMENT
1	<u>SUMAS RATEBASE</u>			
2	PLANT BALANCE		\$ 99,273,738	\$ 99,273,738
3	ACCUM DEPRECIATION		(74,483,303)	(74,483,303)
4	DEFERRED INCOME TAX		(45,714)	(45,714)
5	NET SUMAS PLANT RATEBASE	\$ -	\$ 24,744,721	\$ 24,744,721
6				
7	<u>SUMAS OPERATING EXPENSE</u>			
8	DEPRECIATION EXPENSE		1,720,732	1,720,732
9	PROPERTY INSURANCE		106,303	106,303
10	PROPERTY TAXES		543,257	543,257
11	TOTAL OPERATING EXPENSES	\$ -	\$ 2,370,292	\$ 2,370,292
12				
13	INCREASE (DECREASE) OPERATING EXPENSE			2,370,292
14				
15	INCREASE (DECREASE) FIT @		35%	(829,602)
16	INCREASE (DECREASE) NOI			<u>\$ (1,540,690)</u>

(Note) Amounts presented in bold italic type have changed since the December 3, 2007 original filing.

**PUGET SOUND ENERGY-ELECTRIC
WHITEHORN
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2007
GENERAL RATE INCREASE**

LINE NO.	DESCRIPTION	TEST YEAR	ADJUSTED RATE YEAR	ADJUSTMENT
1	<u>RATEBASE</u>			
2	UTILITY PLANT BALANCE		\$ 19,999,792	\$ 19,999,792
3	ACCUMULATED DEPRECIATION		(16,002,667)	(16,002,667)
4	DEFERRED FIT		82,210	82,210
5	TOTAL UTILITY PLANT RATEBASE	\$ -	\$ 4,079,335	\$ 4,079,335
6				
7	ACQUISITION ADJUSTMENT		\$ 11,821,375	\$ 11,821,375
8	ACCUMULATED AMORTIZATION ON ACQ ADJ		(629,728)	(629,728)
9	DEFERRED FIT		Incl. in Line 4	-
10	TOTAL ACQUISITION ADJUSTMENT RATEBASE	\$ -	\$ 11,191,647	\$ 11,191,647
11				
12	<u>TOTAL RATEBASE</u>	\$ -	\$ 15,270,982	\$ 15,270,982
13				
14	<u>WHITEHORN OPERATING EXPENSE</u>			
15	DEPRECIATION EXPENSE		600,667	600,667
16	AMORTIZATION EXPENSE		1,679,273	1,679,273
17	TOTAL OPERATING EXPENSES	\$ -	\$ 2,279,940	\$ 2,279,940
18				
19	INCREASE (DECREASE) EXPENSE			2,279,940
20				
21	INCREASE (DECREASE) FIT @		35%	(797,979)
22	INCREASE (DECREASE) NOI			\$ (1,481,961)

(Note) Amounts presented in bold italic type have changed since the December 3, 2007 original filing.

**PUGET SOUND ENERGY-ELECTRIC
BAKER HYDRO RELICENSING COSTS
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2007
GENERAL RATE INCREASE**

LINE NO.	DESCRIPTION	TEST YEAR	ADJUSTED RATE YEAR	ADJUSTMENT
1	<u>BAKER HYDRO RELICENSING RATEBASE</u>			
2	PLANT BALANCE		\$ 33,210,393	\$ 33,210,393
3	ACCUM AMORTIZATION		(615,007)	(615,007)
4	NET BAKER HYDRO RELIC RATEBASE	\$ -	\$ 32,595,386	\$ 32,595,386
5				
6	<u>BAKER HYDRO RELICENSING OPERATING EXPENSE</u>			
7	AMORTIZATION EXPENSE		738,009	738,009
8	TOTAL OPERATING EXPENSES	\$ -	\$ 738,009	\$ 738,009
9				
10	INCREASE (DECREASE) EXPENSE			738,009
11				
12	INCREASE (DECREASE) FIT @		35%	(258,303)
13	INCREASE (DECREASE) NOI			<u>\$ (479,706)</u>

(Note) Amounts presented in bold italic type have changed since the December 3, 2007 original filing.

**PUGET SOUND ENERGY-ELECTRIC
PASS-THROUGH REVENUES AND EXPENSES
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2007
GENERAL RATE INCREASE**

LINE NO. DESCRIPTION	ADJUSTMENT
1 <u>REMOVE REVENUE ASSOCIATED WITH RIDERS:</u>	
2 REMOVE CONSERVATION RIDER - SCHEDULE 120	34,020,040
3 REMOVE MUNICIPAL TAXES - SCHEDULE 81	62,694,985
4 REMOVE LOW INCOME AMORTIZATION - SCHEDULE 129	7,367,010
5 REMOVE RESIDENTIAL EXCHANGE - SCH 194	(88,813,196)
6 GREEN POWER - SCH 135/136 (TAGS ELIM IN PAGE 4.03)	2,327,274
7 GREEN POWER - SCH 135/136 ELIMINATE UNDER EXPENSED	(36,729)
8 TOTAL (INCREASE) DECREASE IN REVENUES	<u>17,559,384</u>
9	
10 <u>DECREASE REVENUE SENSITIVE ITEMS FOR DECREASE IN REVENUES:</u>	
11 BAD DEBTS	<i>0.35024%</i> (61,500)
12 ANNUAL FILING FEE	0.20000% (35,119)
13 STATE UTILITY TAX	<i>3.85944%</i> (677,694)
14 TOTAL	<u>(774,313)</u>
15	
16 <u>REMOVE EXPENSES ASSOCIATED WITH RIDERS</u>	
17 REMOVE CONSERVATION RIDER - SCHEDULE 120	(32,489,368)
18 REMOVE MUNICIPAL TAXES - SCHEDULE 81	(59,746,435)
19 REMOVE LOW INCOME AMORTIZATION - SCHEDULE 129	(7,035,748)
20 REMOVE RESIDENTIAL EXCHANGE - SCH 194	84,819,852
21 GREEN POWER - SCH 135/136 (TAGS ELIM IN PAGE 4.03)	(728,639)
22 GREEN POWER - SCH 135/136 BENEFITS PORTION OF ADMIN	(78,841)
23 GREEN POWER - SCH 135/136 TAXES PORTION OF ADMIN	(26,197)
24 TOTAL INCREASE (DECREASE) EXPENSE	<u>(15,285,377)</u>
25	
26 INCREASE (DECREASE) OPERATING INCOME BEFORE FIT	<i>(1,499,693)</i>
27 INCREASE (DECREASE) FIT	<i>(524,893)</i>
28 INCREASE (DECREASE) NOI	<u><i>(974,801)</i></u>

(Note) Amounts presented in bold italic type have changed since the December 3, 2007 original filing.

PUGET SOUND ENERGY-ELECTRIC
BAD DEBTS
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2007
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 09/30/2004	\$ 4,958,005	\$ 1,418,771,663	\$ 68,519,491	\$ 361,720	\$ 1,349,890,453	0.3672895%
2	12 MOS ENDED 09/30/2005	\$ 5,272,921	\$ 1,604,948,532	\$ 151,158,328	\$ 350,901	\$ 1,453,439,303	0.3627892%
3	12 MOS ENDED 09/30/2006	\$ 5,231,530	\$ 1,808,438,634	\$ 176,534,948	\$ 362,636	\$ 1,631,541,050	0.3206496%
4	3-Yr Average of Net Write Off Rate						<u>0.3502428%</u>
5							
6	Test Period Revenues		\$ 2,097,973,590	\$ 268,574,887	\$ 374,331	\$ 1,829,024,372	
7							
8	PROFORMA BAD DEBT RATE					<u>0.3502428%</u>	
9	PROFORMA BAD DEBTS					<u>\$ 6,406,026</u>	
10							
11	UNCOLLECTIBLES CHARGED TO EXPENSE IN TEST YEAR					<u>5,593,869</u>	
12	INCREASE (DECREASE) EXPENSE						\$ 812,157
13							
14	INCREASE (DECREASE) FIT					35%	<u>(284,255)</u>
15	INCREASE (DECREASE) NOI						<u><u>\$ (527,902)</u></u>

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PUGET SOUND ENERGY-ELECTRIC
MISCELLANEOUS OPERATING EXPENSE
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2007
GENERAL RATE INCREASE

LINE NO. DESCRIPTION	ACTUAL	PROFORMA RESTATE	ADJUSTMENT
1 <u>OPERATING EXPENSES</u>			
2 AMORT OF DEFERRED TAXES OF INDIRECT OVERHEADS			
3 REGULATORY ASSET (WUTC DOC # UE-051527)	1,470,386		(1,470,386)
4 AMORT OF INTEREST ASSOCIATED WITH DEFERRAL OF UNRECOVERED			
5 RESIDENTIAL EXCHANGE BENEFITS CREDITED TO CUSTOMERS (WUTC			
6 DOC # UE-071024)		1,487,423	1,487,423
7 ADJUSTMENT TO MOVE LEGAL COSTS ASSOCIATED WITH THE SALES OF			
8 POWER FROM 557 TO A&G (FERC 923).		382,511	382,511
9 COST OF WIRE ZONE VEGETATION MANAGEMENT PROGRAM		4,000,000	4,000,000
10 INCREASE IN SERVICE CONTRACT BASELINE CHARGES TSM	476,350	492,927	16,577
11 INCREASE IN SERVICE CONTRACT BASELINE CHARGES DST	29,854,650	30,887,343	1,032,693
12 ADJUSTMENT FOR ONE-TIME FAS 106 CURTAILMENT GAIN	(286,923)		286,923
13 COMPANY STORE - PURCHASE OF MERCHANDISE IN CUST SVC EXP	56,347	-	(56,347)
14 COMPANY STORE - NET PURCH/SALES OF MERCHANDISE IN A&G	(31,393)	-	31,393
15 SUMMIT BUILDING CONTRACTUAL RENT INCREASES			
16 REQUESTED IN ACCOUNTING PETITION #UE-071876	828,227	2,068,609	1,240,381
17 AMORTIZATION OF SUMMIT BUYOUT PURCHASE OPTION			
18 REQUESTED IN ACCOUNTING PETITION #UE-071876		(1,026,113)	(1,026,113)
19 MERGER SAVINGS	73,891		(73,891)
20 ADJUSTMENT TO MOVE WAGES FOR OFFICER TIME ON MERGER			
21 CHARGED TO PSE:			
22 EMPLOYEE BENEFITS, FERC 926	6,697		(6,697)
23 PAYROLL TAXES, FERC 408.1	2,239		(2,239)
24 LABOR & LABOR OH, PTO, INCENTIVES, FERC 920	25,449		(25,449)
25 INCREASE (DECREASE) IN EXPENSE	\$ 32,475,921	\$ 38,292,700	\$ 5,816,779
26			
27 INCREASE(DECREASE) OPERATING EXPENSE			5,816,779
28 INCREASE(DECREASE) FIT @		35%	(2,035,873)
29			
30 INCREASE(DECREASE) NOI			\$ (3,780,906)
31			
32 <u>RATEBASE</u>			
33			
34 ADJUSTMENT FOR TRANSFERS OF RATEBASE TO NON-UTILITY PLANT	122,341		(122,341)
35 CWIP "IN SERVICE" BUT NOT TRANSFERRED TO PLANT		3,245,319	3,245,319
36			
37 TOTAL ADJUSTMENT TO RATEBASE			\$ 3,122,978

(Note) Amounts presented in bold italic type have changed since the December 3, 2007 original filing.

**PUGET SOUND ENERGY-ELECTRIC
PROPERTY TAXES
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2007
GENERAL RATE INCREASE**

LINE NO. DESCRIPTION	WASHINGTON	MONTANA	OREGON	TOTAL
1 RESTATED PROPERTY TAX	\$ 25,930,090	\$ 10,417,029	\$ 692,978	\$ 37,040,097
2 CHARGED TO EXPENSE IN TY	22,347,868	10,228,277	710,570	33,286,715
3 INCREASE(DECREASE) EXPENSE	<u>\$ 3,582,222</u>	<u>\$ 188,752</u>	<u>\$ (17,592)</u>	<u>\$ 3,753,382</u>
4				
5 INCREASE(DECREASE) FIT @			35%	<u>(1,313,684)</u>
6				
7 INCREASE(DECREASE) NOI				<u><u>\$ (2,439,698)</u></u>

(Note) Amounts presented in bold italic type have changed since the December 3, 2007 original filing.

**PUGET SOUND ENERGY-ELECTRIC
EXCISE TAX & FILING FEE
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2007
GENERAL RATE INCREASE**

LINE NO. DESCRIPTION	AMOUNT
1 RESTATED EXCISE TAXES	\$ 69,650,077
2 CHARGED TO EXPENSE FOR TEST YEAR	<u>70,238,535</u>
3 INCREASE (DECREASE) EXCISE TAX	\$ (588,458)
4	
5 RESTATED WUTC FILING FEE	\$ 3,628,231
6 CHARGED TO EXPENSE FOR TEST YEAR	<u>3,739,072</u>
7 INCREASE(DECREASE) WUTC FILING FEE	\$ (110,841)
8	
9 INCREASE(DECREASE) EXPENSE	(699,299)
10	
11 INCREASE(DECREASE) FIT @	35% 244,755
12 INCREASE(DECREASE) NOI	<u><u>\$ 454,544</u></u>

(Note) Amounts presented in bold italic type have changed since the December 3, 2007 original filing.

**PUGET SOUND ENERGY-ELECTRIC
D&O INSURANCE
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2007
GENERAL RATE INCREASE**

LINE	NO. DESCRIPTION	TEST YEAR	RESTATED	ADJUSTMENT
1	D & O INS. CHG EXPENSE	\$ 1,081,710	\$ 1,117,519	\$ 35,809
2				
3	INCREASE (DECREASE) D&O EXPENSE	\$ 1,081,710	\$ 1,117,519	\$ 35,809
4				
5	INCREASE (DECREASE) EXPENSE			35,809
6				
7	INCREASE (DECREASE) FIT @		35%	(12,533)
8	INCREASE (DECREASE) NOI			<u>\$ (23,276)</u>

(Note) Amounts presented in bold italic type have changed since the December 3, 2007 original filing.

**PUGET SOUND ENERGY-ELECTRIC
MONTANA ELECTRIC ENERGY TAX
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2007
GENERAL RATE INCREASE**

LINE NO.	DESCRIPTION	AMOUNT
1	RESTATED KWH (COLSTRIP)	<i>4,727,011,299</i>
2	TAX RATE	<u>0.00035</u>
3		
4	RESTATED ENERGY TAX	<i>1,654,454</i>
5	CHARGED TO EXPENSE	1,586,606
6	INCREASE (DECREASE) EXPENSE	<u>\$ <i>67,848</i></u>
7		
8	INCREASE (DECREASE) FIT @ 35%	<u>(23,747)</u>
9	INCREASE (DECREASE) NOI	<u><u>\$ <i>(44,101)</i></u></u>

(Note) Amounts presented in bold italic type have changed since the December 3, 2007 original filing.

**PUGET SOUND ENERGY-ELECTRIC
INTEREST ON CUSTOMER DEPOSITS
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2007
GENERAL RATE INCREASE**

LINE NO.	DESCRIPTION	AMOUNT
1	INTEREST EXPENSE FOR TEST YEAR	\$ 350,242
2		
3	INCREASE (DECREASE) NOI	<u>\$ (350,242)</u>

(Note) Amounts presented in bold italic type have changed since the December 3, 2007 original filing.

PUGET SOUND ENERGY-ELECTRIC
SFAS 133
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2007
GENERAL RATE INCREASE

LINE NO.		ACTUAL	RESTATED	ADJUSTMENT
1	FAS 133 OPERATING EXPENSE	\$ 887,595	\$ -	\$ (887,595)
2				
3	INCREASE (DECREASE) IN EXPENSE	\$ 887,595	\$ -	\$ (887,595)
4				
5	INCREASE(DECREASE) OPERATING INCOME			887,595
6				
7	INCREASE (DECREASE) DEFERRED FIT @	35%		310,658
8				
9	INCREASE (DECREASE) NOI			<u>\$ 576,937</u>

(Note) Amounts presented in bold italic type have changed since the December 3, 2007 original filing.

**PUGET SOUND ENERGY-ELECTRIC
RATE CASE EXPENSES
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2007
GENERAL RATE INCREASE**

LINE NO. DESCRIPTION	AMOUNT
1 DEFERRED EXPENDITURES TO BE AMORTIZED:	
2	
3 REMAINING 2001 GRC DEFERRALS TO BE AMORTIZED @11/01/08	IMMATERIAL
4 LESS TEST YEAR EXPENSE: 2001 GRC AMORTIZATION	<u>176,736</u>
5 INCREASE (DECREASE) EXPENSE	<u><u>(176,736)</u></u> \$ (176,736)
6	
7	
8 REMAINING 2004 GRC DEFERRALS TO BE AMORTIZED @11/01/08	IMMATERIAL
9 LESS TEST YEAR EXPENSE: 2004 GRC AMORTIZATION	<u>251,888</u>
10 INCREASE (DECREASE) EXPENSE	<u><u>(251,888)</u></u> (251,888)
11	
12	
13 EXPENSES TO BE NORMALIZED:	
14	
15 ESTIMATED GRC EXPENSES TO BE NORMALIZED	<u>\$ 1,474,000</u>
16	
17 ANNUAL NORMALIZATION (LINE 22 / 2 YEARS)	737,000
18 LESS TEST YEAR EXPENSE: GRC DIRECT CHARGES TO FERC 928	<u>321,200</u>
19	
20 INCREASE (DECREASE) EXPENSE	<u><u>\$ 415,800</u></u> 415,800
21	
22	
23 ESTIMATED PCORC EXPENSES TO BE NORMALIZED	<u>\$ 325,000</u>
24	
25 ANNUAL NORMALIZATION (LINE 29 / 2)	162,500
26 LESS TEST YEAR EXPENSE: PCORC DIRECT CHARGES	<u>351,915</u>
27	
28 INCREASE (DECREASE) EXPENSE	<u><u>\$ (189,415)</u></u> (189,415)
29	
30	
31 TOTAL INCREASE (DECREASE) EXPENSE	\$ (202,239)
32	
33 INCREASE(DECREASE) FIT @	35% 70,784
34 INCREASE(DECREASE) NOI	<u><u>\$ 131,455</u></u>

(Note) Amounts presented in bold italic type have changed since the December 3, 2007 original filing.

**PUGET SOUND ENERGY-ELECTRIC
DEFERRED GAINS/LOSSES ON PROPERTY SALES
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2007
GENERAL RATE INCREASE**

LINE NO. DESCRIPTION	AMOUNT
1 DEFERRED GAIN RECORDED SINCE UE-060266, <i>et al.</i> at 10/31/2008	\$ (7,996,289)
2 DEFERRED LOSS RECORDED SINCE UE-060266, <i>et al.</i> at 10/31/2008	663,702
3 TOTAL DEFERRED NET (GAIN) LOSS TO AMORTIZE	<u>\$ (7,332,587)</u>
4	
5 AMORTIZATION OF DEFERRED NET (GAIN) LOSS FOR RATE YEAR (Line 3/3years)	(2,444,196)
6	
7 AMORTIZATION OF DEFERRED NET (GAIN) LOSS FOR TEST YEAR	<u>(1,475,528)</u>
8	
9 INCREASE (DECREASE) EXPENSE (Line 5 - Line 7)	\$ (968,668)
10	
11 INCREASE (DECREASE) FIT @ 35%	<u>339,034</u>
12	
13 INCREASE (DECREASE) NOI	<u><u>\$ 629,634</u></u>

(Note) Amounts presented in bold italic type have changed since the December 3, 2007 original filing.

**PUGET SOUND ENERGY-ELECTRIC
PROPERTY & LIABILITY INSURANCE
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2007
GENERAL RATE INCREASE**

LINE NO. DESCRIPTION	ACTUAL	PROFORMA	ADJUSTMENT
1 PROPERTY INSURANCE EXPENSE	\$ 2,396,344	\$ <i>2,695,705</i>	<i>299,360</i>
2 LIABILITY INSURANCE EXPENSE	<i>1,623,650</i>	<i>1,848,953</i>	<i>225,303</i>
3 INCREASE(DECREASE) EXPENSE	<i>\$ 4,019,994</i>	<i>\$ 4,544,657</i>	<i>\$ 524,664</i>
4			
5 INCREASE (DECREASE) OPERATING EXPENSE			<i>524,664</i>
6			
7 INCREASE (DECREASE) FIT @	35%		<i>(183,632)</i>
8 INCREASE (DECREASE) NOI		<i>\$</i>	<i>(341,031)</i>

(Note) Amounts presented in bold italic type have changed since the December 3, 2007 original filing.

**PUGET SOUND ENERGY-ELECTRIC
PENSION PLAN
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2007
GENERAL RATE INCREASE**

LINE	NO. DESCRIPTION	ACTUAL	RESTATED ADJUSTMENT		
1	QUALIFIED RETIREMENT FUND	\$ 837,289	\$ -	\$	(837,289)
2	SERP PLAN	2,096,718	2,236,061	\$	139,343
3	INCREASE(DECREASE) EXPENSE	\$ 2,934,007	\$ 2,236,061	\$	(697,946)
4					
5	INCREASE(DECREASE) OPERATING EXPENSE				(697,946)
6					
7	INCREASE (DECREASE) FIT @	35%			244,281
8	INCREASE (DECREASE) NOI			\$	<u>453,665</u>

(Note) Amounts presented in bold italic type have changed since the December 3, 2007 original filing.

**PUGET SOUND ENERGY-ELECTRIC
WAGE INCREASE
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2007
GENERAL RATE INCREASE**

LINE NO.	DESCRIPTION	TEST YEAR	RATE YEAR	ADJUSTMENT
1	WAGES:			
2	PURCHASED POWER	\$ 2,850,065	\$ 2,986,583	\$ 136,518
3	OTHER POWER SUPPLY	9,875,831	<i>10,549,442</i>	<i>673,611</i>
4	TRANSMISSION	541,430	<i>591,682</i>	<i>50,252</i>
5	DISTRIBUTION	18,820,484	<i>20,366,292</i>	<i>1,545,808</i>
6	CUSTOMER ACCTS	10,109,408	<i>10,847,062</i>	<i>737,654</i>
7	CUSTOMER SERVICE	1,382,177	<i>1,460,415</i>	<i>78,238</i>
8	SALES	270,628	283,591	12,963
9	ADMIN. & GENERAL	18,491,934	<i>19,406,216</i>	<i>914,282</i>
10	TOTAL WAGE INCREASE	<u>62,341,957</u>	<u><i>66,491,283</i></u>	<u><i>4,149,326</i></u>
11				
12	PAYROLL TAXES	5,234,729	<i>5,481,585</i>	<i>246,856</i>
13	TOTAL WAGES & TAXES	<u>67,576,686</u>	<u><i>71,972,868</i></u>	<u><i>4,396,182</i></u>
14				
15	INCREASE (DECREASE) OPERATING EXPENSE			\$ <i>4,396,182</i>
16	INCREASE (DECREASE) FIT @ 35%			<i>(1,538,664)</i>
17	INCREASE (DECREASE) NOI			<u><u><i>\$ (2,857,518)</i></u></u>

(Note) Amounts presented in bold italic type have changed since the December 3, 2007 original filing.

**PUGET SOUND ENERGY-ELECTRIC
INVESTMENT PLAN
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2007
GENERAL RATE INCREASE**

LINE NO.	DESCRIPTION		AMOUNT
1	<u>MANAGEMENT (INC. EXECUTIVES)</u>		
2	INVESTMENT PLAN APPLICABLE TO MANAGEMENT	\$ 3,841,177	
3	RATE YEAR MANAGEMENT WAGE INCREASE	4.79% <u>183,992</u>	
4	TOTAL COMPANY CONTRIBUTION FOR MANAGEMENT		4,025,169
5			
6	<u>IBEW</u>		
7	INVESTMENT PLAN APPLICABLE TO IBEW	1,012,427	
8	RATE YEAR IBEW WAGE INCREASE	7.97% <u>80,690</u>	
9	TOTAL COMPANY CONTRIBUTION FOR IBEW		1,093,117
10			
11	<u>UA</u>		
12	INVESTMENT PLAN APPLICABLE TO UA	805,316	
13	RATE YEAR UA WAGE INCREASE	6.61% <u>53,231</u>	
14	TOTAL COMPANY CONTRIBUTION FOR UA		<u>858,547</u>
15			
16	<u>TOTAL</u>		
17	TOTAL PROFORMA COSTS (LN 4 + LN 9 + 14)		5,976,834
18	PRO FORMA COSTS APPLICABLE TO OPERATIONS	55.72%	3,330,292
19	CHARGED TO EXPENSE FOR TEST YEAR		<u>3,153,150</u>
20	INCREASE (DECREASE) EXPENSE		177,142
21			
22	INCREASE (DECREASE) FIT @	35%	(62,000)
23	INCREASE (DECREASE) NOI		<u>(\$115,142)</u>

(Note) Amounts presented in bold italic type have changed since the December 3, 2007 original filing.

**PUGET SOUND ENERGY-ELECTRIC
EMPLOYEE INSURANCE
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2007
GENERAL RATE INCREASE**

LINE NO.	DESCRIPTION	AMOUNT
1	<u>BENEFIT CONTRIBUTION:</u>	
2	SALARIED EMPLOYEES	\$ 8,503,888
3	UNION EMPLOYEES	7,983,040
4	PRO FORMA INSURANCE COSTS	<u>16,486,928</u>
5		
6	APPLICABLE TO OPERATIONS @ 55.72%	9,186,516
7	CHARGED TO EXPENSE 09/30/07	<u>7,670,035</u>
8	INCREASE(DECREASE) EXPENSE	1,516,481
9		
10	INCREASE(DECREASE) FIT @ 35%	<u>(530,768)</u>
11		
12	INCREASE(DECREASE) NOI	<u><u>\$ (985,713)</u></u>

(Note) Amounts presented in bold italic type have changed since the December 3, 2007 original filing.

**PUGET SOUND ENERGY-ELECTRIC
INCENTIVE PAY
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2007
GENERAL RATE INCREASE**

LINE NO.	DESCRIPTION	ACTUAL	PROFORMA RESTATED	ADJUSTMENT
1	<u>OPERATING EXPENSES (RESTATED)</u>			
2	PURCHASED POWER	\$ 188,513	\$ 224,553	\$ 36,040
3	OTHER POWER SUPPLY	653,158	793,133	139,975
4	TRANSMISSION	35,789	44,491	8,702
5	DISTRIBUTION	1,244,798	1,531,127	286,329
6	CUSTOMER ACCTS	668,620	815,528	146,908
7	CUSTOMER SERVICE	91,412	109,777	18,365
8	SALES	17,895	21,345	3,450
9	ADMIN. & GENERAL	1,223,027	1,458,992	235,965
10	TOTAL INCENTIVE/MERIT PAY	\$ 4,123,212	\$ 4,998,946	\$ 875,734
11				
12	PAYROLL TAXES ASSOC WITH MERIT PAY	298,521	361,924	63,403
13	INCREASE(DECREASE) EXPENSE	4,421,733	5,360,870	939,137
14				
15	INCREASE (DECREASE) OPERATING EXPENSE			939,137
16				
17	INCREASE (DECREASE) FIT @		35%	(328,698)
18	INCREASE (DECREASE) NOI			\$ (610,439)

(Note) Amounts presented in bold italic type have changed since the December 3, 2007 original filing.

**PUGET SOUND ENERGY-ELECTRIC
MONTANA CORPORATE LICENSE TAX
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2007
GENERAL RATE INCREASE**

LINE NO.	DESCRIPTION	AMOUNT
1	ESTIMATED FEDERAL CURRENT COMBINED TAXABLE	
2	INCOME AT SEPTEMBER 30, 2007	\$ 122,751,606
3	ADD: INCREASE TO PRE-TAX INCOME FROM TAX BENEFIT OF	
4	PROFORMA INTEREST ADJUSTMENT 4.05	<i>8,362,764</i>
5	INCOME SUBJECT TO APPORTIONMENT	<u><i>131,114,370</i></u>
6		
7	MONTANA APPORTIONMENT FACTOR	5.97%
8	MONTANA TAXABLE INCOME	<i>7,827,528</i>
9		
10	PROFORMA MONTANA CORP. LIC. TAX	6.75% <i>528,358</i>
11	CHARGED TO EXPENSE IN TEST YEAR	313,000
12		-
13	INCREASE (DECREASE) EXPENSE	<u><i>215,358</i></u>
14		
15	INCREASE (DECREASE) FIT @	35% <i>(75,375)</i>
16		-
17	INCREASE (DECREASE) NOI	<u><u><i>\$ (139,983)</i></u></u>

(Note) Amounts presented in bold italic type have changed since the December 3, 2007 original filing.

**PUGET SOUND ENERGY-ELECTRIC
AMORTIZATION OF GOLDENDALE FIXED COST DEFERRAL
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2007
GENERAL RATE INCREASE**

LINE NO.	DESCRIPTION	ACTUAL	PROFORMA	ADJUSTMENT
1				
2				
3				
4	AMORTIZATION OF FIXED COST DEFERRAL		\$ 4,162,154	\$ 4,162,154
5	DEFERRAL OF GOLDENDALE FIXED COSTS	(10,843,497)	-	10,843,497
6	AMORTIZATION OF FIXED COST DEFERRAL	(10,843,497)	4,162,154	15,005,651
7				
8	INCREASE (DECREASE) OPERATING EXPENSES			15,005,651
9				
10	INCREASE(DECREASE) FIT @		35%	(5,251,978)
11				
12	INCREASE(DECREASE) NET OPERATING INCOME			<u>\$ (9,753,673)</u>
13				
14	RATE BASE			
15	GOLDENDALE AMA GROSS - DEF & INT.	\$ -	\$ 12,486,461	\$ 12,486,461
16	GOLDENDALE AMA ACCUMULATED AMORTIZATIO	-	(2,081,077)	(2,081,077)
17	GOLDENDALE AMA ACCUMULATED DEFERRED FIT	-	(3,642,131)	(3,642,131)
18	TOTAL GOLDENDALE RATE BASE	-	<u>6,763,253</u>	<u>6,763,253</u>

(Note) Amounts presented in bold italic type have changed since the December 3, 2007 original filing.

**PUGET SOUND ENERGY-ELECTRIC
STORM DAMAGE
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2007
GENERAL RATE INCREASE**

LINE NO.	DESCRIPTION	AMOUNT		
1	NORMAL STORMS	Transmission	Distribution	Total
2	ACTUAL O&M:			
3	TWELVE MONTHS ENDED 9/30/02	\$ (4,894)	\$ 6,583,315	\$ 6,578,420
4	TWELVE MONTHS ENDED 9/30/03	6,615	5,325,797	5,332,412
5	TWELVE MONTHS ENDED 9/30/04	202,197	12,062,138	12,264,335
6	TWELVE MONTHS ENDED 9/30/05	50,866	1,947,137	1,998,004
7	TWELVE MONTHS ENDED 9/30/06	417,714	10,336,885	10,754,599
8	TWELVE MONTHS ENDED 9/30/07	495,730	10,500,628	10,996,358
9	TOTAL NORMAL STORMS	<u>1,168,227</u>	<u>46,755,899</u>	<u>47,924,127</u>
10				
11	SIX-YEAR AVERAGE STORM EXPENSE FOR RATE YEAR	194,705	7,792,650	7,987,354
12				
13	CHARGED TO EXPENSE FOR TEST YEAR ENDED 9/30/07:			
14	STORM DAMAGE EXPENSE (LINE 8)	<u>495,730</u>	<u>10,500,628</u>	<u>10,996,358</u>
15				
16	INCREASE (DECREASE) OPERATING EXPENSE	(301,025)	(2,707,978)	(3,009,003)
17				
18				
19	CATASTROPHIC STORMS			
20	DEFERRED BALANCES FOR 3 YEAR AMORTIZATION AT			
21	START OF RATE YEAR (11/1/08):			
22	12/4/03 WINDSTORM	3,313,916		
23	2006 STORM DAMAGE (EXCL 12/13/07 WIND STORM)	24,436,289		
24	2007 STORM DAMAGE	781,320		
25	TOTAL	<u>28,531,525</u>		
26	ANNUAL AMORTIZATION (LINE 25 ÷ 3 YEARS)	9,510,508		
27				
28	DEFERRED BALANCES FOR 6 YEAR AMORTIZATION AT			
29	START OF RATE YEAR (11/1/08):			
30	12/13/06 WIND STORM	<u>79,849,846</u>		
31	TOTAL	<u>79,849,846</u>		
32	ANNUAL AMORTIZATION (LINE 31 ÷ 6 YEARS)	<u>13,308,308</u>		
33	TOTAL RATE YEAR AMORTIZATION		<u>22,818,816</u>	
34	LESS CATASTROPHIC STORM AMORT AS (9/30/07)		<u>3,843,257</u>	
35				
36	INCREASE (DECREASE) OPERATING EXPENSE (LINE 26 + LINE 32 - LINE 34)			<u>18,975,559</u>
37				
38	TOTAL INCREASE (DECREASE) OPERATING EXPENSE (LINE 16 + LINE 36)			<u>15,966,556</u>
39				
40	INCREASE (DECREASE) FIT @ 35% (LINE 38 X 35%)			<u>(5,588,294)</u>
41				
42	INCREASE (DECREASE) NOI			<u>\$ (10,378,261)</u>

(Note) Amounts presented in bold italic type have changed since the December 3, 2007 original filing.

**PUGET SOUND ENERGY-ELECTRIC
REGULATORY ASSETS AND LIABILITIES
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2007
GENERAL RATE INCREASE**

LINE NO. DESCRIPTION	TEST YEAR	RATE YEAR	ADJUSTMENT
1 REGULATORY ASSETS/LIABS AMORTIZATION EXPENSE			
2 CABOT BUYOUT	\$ 2,962,000	\$ -	\$ (2,962,000)
3 TENASKA	3,975,750	5,425,333	1,449,583
4 BEP	3,526,620	3,526,620	-
5 WHITE RIVER PLANT COSTS	1,494,702	1,494,702	(0)
6 WHITE RIVER RELICENSING & CWIP	-	-	-
7 CANWEST	(3,797,508)	-	3,797,508
8 HOPKINS RIDGE PREPAID TRANSMISSION	1,800,805	2,034,455	233,651
9 TOTAL AMORTIZATION OF REG ASSETS/LIABS	<u>\$ 9,962,369</u>	<u>\$ 12,481,110</u>	<u>\$ 2,518,741</u>
10			
11 INCREASE (DECREASE) FIT		35%	<u>(881,559)</u>
12			
13 SUBTOTAL INCREASE (DECREASE) NOI			<u>\$ (1,637,182)</u>
14			
15 TENASKA FLOW THRU	19,435,248	26,516,667	7,081,419
16			
17 TOTAL REGULATORY AMORT	\$ 29,397,617	\$ 38,997,777	\$ 9,600,160
18			
19 INCREASE (DECREASE) NOI			<u>\$ (8,718,601)</u>
20			
21 RATE BASE ADJUSTMENT			
22 <u>AMA OF REGULATORY ASSET/LIABILITY NET OF ACCUM AMORT AND DFIT</u>			
23 CABOT	\$ 3,587,408	\$ 21,125	\$ (3,566,283)
24 TENASKA	148,527,880	94,583,875	(53,944,005)
25 BEP	24,687,582	19,609,943	(5,077,639)
26 WHITE RIVER PLANT COSTS	38,412,978	33,499,702	(4,913,275)
27 WHITE RIVER RELICENSING & CWIP	22,986,145	21,740,384	(1,245,761)
28 CANWEST	(3,088,872)	(0)	3,088,872
29 HOPKINS RIDGE PREPAID TRANSMISSION	8,516,859	4,614,747	(3,902,112)
30 TOTAL REGULATORY ASSETS/LIABS RATEBASE	<u>\$ 243,629,980</u>	<u>\$ 174,069,776</u>	<u>\$ (69,560,204)</u>

(Note) Amounts presented in bold italic type have changed since the December 3, 2007 original filing.

**PUGET SOUND ENERGY-ELECTRIC
DEPRECIATION STUDY
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2007
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	\$ 150,517,255	\$ <i>153,209,810</i>	\$ <i>2,692,555</i>
4	403 ELEC PORTION OF COMMON	4,428,776	9,080,310	4,651,534
5	403 DEPR. EXP. ON ASSETS NOT INCLUDED IN STUDY	4,846,023	4,417,336	(428,687)
6	SUBTOTAL DEPRECIATION EXPENSE 403	<u>159,792,055</u>	<i>166,707,456</i>	<i>6,915,402</i>
7				
8	403.1 DEPR. EXP- FAS 143 (RECOVERED IN RATES)	426,601	426,601	-
9	403.1 DEPR. EXP - FAS 143 (NOT RECOVERED IN RATES)	58,728		(58,728)
10	SUBTOTAL DEPRECIATION EXPENSE 403.1	<u>485,329</u>	426,601	(58,728)
11				
12	TOTAL DEPRECIATION EXPENSE	<u>160,277,383</u>	<i>167,134,057</i>	<i>6,856,674</i>
13				
14	<u>AMORTIZATION EXPENSE</u>			
15	4111 ACCRETION EXP. - FAS 143 (RECOVERED IN RATES)	659,907	659,907	-
16	4111 ACCRETION EXP. - FAS 143 (NOT RECOVERED IN RATES)	139,039		(139,039)
17	SUBTOTAL ACCRETION EXPENSE 411.1	<u>798,946</u>	659,907	(139,039)
18				
19	FLEET DEPR. EXP. ON INC STMNT NOT RECORDED IN 403	994	1,183	189
20				
21	INCREASE(DECREASE) EXPENSE			\$ <i>6,717,824</i>
22	INCREASE(DECREASE) FIT			<i>2,289,279</i>
23	INCREASE(DECREASE) DEFERRED FIT			<i>(2,289,279)</i>
24	INCREASE(DECREASE) NOI			<u>\$ <i>(6,717,824)</i></u>
25				
26				
27	<u>ADJUSTMENT TO RATE BASE</u>			
28	ADJUST ACCUM. DEPR. FOR ADDITIONAL DEPRECIATION EXPENSE (50% OF LINE 21)			<i>(3,358,912)</i>
29	ADJUST DFIT FOR LESS DFIT EXPENSE (50% OF LINE 23)			<i>1,144,639</i>
30	ADJUSTMENT TO RATE BASE			<u>\$ <i>(2,214,273)</i></u>

(Note) Amounts presented in bold italic type have changed since the December 3, 2007 original filing.

**PUGET SOUND ENERGY-ELECTRIC
SKAGIT COUNTY SERVICE CENTER
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2007
GENERAL RATE INCREASE**

LINE NO.	DESCRIPTION	TEST YEAR	PROFORMA	ADJUSTMENT
1				
2	<u>PLANT RATEBASE</u>			
3	PLANT BALANCE	\$ 1,092,646	\$ 22,041,052	\$ 20,948,406
4	ACCUM DEPRECIATION	(297,794)	(2,026,436)	(1,728,642)
5	DEFERRED INCOME TAX	(63,500)	356,915	420,415
6	SKAGIT COUNTY SERVICE FACILITY RATEBASE	<u>731,352</u>	<u>20,371,531</u>	<u>19,640,179</u>
7				
8	<u>SKAGIT OPERATING EXPENSE</u>			
9	LEASE PAYMENTS	82,580	-	(82,580)
10	DEPRECIATION EXPENSE	34,936	1,350,957	1,316,021
11	PROPERTY INSURANCE	1,936	14,113	12,177
12	SKAGIT COUNTY FACILITY OPERATING EXPENSES	<u>119,451</u>	<u>1,365,070</u>	<u>1,245,619</u>
13				
14	INCREASE (DECREASE) INCOME			1,245,619
15				
16	INCREASE (DECREASE) FIT @		35%	<u>(435,967)</u>
17				
18	INCREASE (DECREASE) NOI			<u>\$ (809,652)</u>
19				
20				

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PUGET SOUND ENERGY-ELECTRIC
PRODUCTION ADJUSTMENT
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2007
GENERAL RATE INCREASE

LINE NO.	DESCRIPTION	PROFORMA AND RESTATED	PRODUCTION 3.337%	FIT 35%
1	<u>O&M ON PRODUCTION PROPERTY</u>			
2	PRODUCTION WAGE INCREASE AND INCENTIVE:			
3	PURCHASED POWER	\$ 172,558	\$ (5,758)	\$ 2,015
4	OTHER POWER SUPPLY	813,586	(27,149)	9,502
5	TOTAL PRODUCTION WAGE INCREASE	<u>986,144</u>	<u>(32,908)</u>	<u>11,517</u>
6				
7	ADMIN & GENERAL EXPENSES			
8	PAYROLL OVERHEADS	2,726,252	(90,975)	31,841
9	PROPERTY INSURANCE	2,306,817	(76,978)	26,942
10	TOTAL ADMIN & GENERAL EXPENSES	<u>5,033,069</u>	<u>(167,954)</u>	<u>58,783</u>
11				
12	DEPRECIATION / AMORTIZATION:			
13	DEPRECIATION	66,308,627	(2,212,719)	432,362
14	AMORTIZATION (OTHER THAN REGULATORY ASSETS/LIAB)	5,806,675	(193,769)	63,615
15	TOTAL DEPRECIATION AND AMORTIZATION (FERC 403)	<u>72,115,302</u>	<u>(2,406,488)</u>	<u>495,978</u>
16	TAXES OTHER-PRODUCTION PROPERTY:			
17	PROPERTY TAXES - WASHINGTON	6,815,622	(227,437)	79,603
18	PROPERTY TAXES - MONTANA	7,713,984	(257,416)	90,095
19	ELECTRIC ENERGY TAX	1,654,454	(55,209)	19,323
20	PAYROLL TAXES	1,192,660	(39,799)	13,930
21	TOTAL TAXES OTHER	<u>17,376,720</u>	<u>(579,861)</u>	<u>202,951</u>
22				
23	<u>O&M ON REGULATORY ASSETS:</u>			
24	CABOT	\$ -	-	-
25	TENASKA	31,942,000	(1,065,905)	373,067
26	BEP	3,526,620	(117,683)	41,189
27	WHITE RIVER PLANT COSTS	1,494,702	(49,878)	17,457
28	WHITE RIVER RELICENSING & CWIP	-	-	-
29	CANWEST	-	-	-
30	HOPKINS RIDGE PREPAID TRANSMISSION	2,034,455	(67,890)	23,761
31	HOPKINS RIDGE INFILL MITIGATION CREDIT	(1,451,500)	48,437	(16,953)
32	<i>GOLDENDALE FIXED COST DEFERRAL (NEW)</i>	<i>4,162,154</i>	<i>(138,891)</i>	<i>48,612</i>
33	TOTAL ADJUSTMENT TO O&M ON REGULATORY ASSETS	<u>\$ 41,708,431</u>	<u>\$ (1,391,810)</u>	<u>\$ 487,133</u>
34	INCREASE(DECREASE) EXPENSE		(4,579,020)	
35	INCREASE(DECREASE) FIT			1,256,362
36	INCREASE(DECREASE) NOI			<u>\$ 3,322,658</u>
37				
38	<u>PRODUCTION PROPERTY RATE BASE:</u>			
39	DEPRECIABLE PRODUCTION PROPERTY	\$ 2,121,905,426	\$ (70,807,984)	
40	LESS PRODUCTION PROPERTY ACCUM DEPR.	(995,549,186)	33,221,476	
41	NON-DEPRECIABLE PRODUCTION PROPERTY	80,465,857	(2,685,146)	
42	LESS PRODUCTION PROPERTY ACCUM AMORT.	(4,422,650)	147,584	
43	COLSTRIP COMMON FERC ADJUSTMENT	6,100,301	(203,567)	
44	COLSTRIP DEFERRED DEPRECIATION FERC ADJ.	1,797,723	(59,990)	
45	ENCOGEN ACQUISITION ADJUSTMENT	41,341,033	(1,379,550)	
46	NET PRODUCTION PROPERTY	<u>1,251,638,505</u>	<u>(41,767,177)</u>	
47	DEDUCT:			
48	LIBR. DEPREC. PRE 1981 (AMA)	(372,848)	12,442	
49	LIBR. DEPREC. POST 1980 (AMA)	(144,240,857)	4,813,317	
50	OTHER DEF. TAXES (AMA)	(3,295,458)	109,969	
51	SUBTOTAL	<u>(147,909,163)</u>	<u>4,935,728</u>	
52				
53	ADJUSTMENT TO PRODUCTION RATE BASE	<u>\$ 1,103,729,341</u>	<u>\$ (36,831,449)</u>	<u>\$ 1,066,897,892</u>
54				
55	<u>REGULATORY ASSETS RATE BASE:</u>			
56	CABOT	21,125	(705)	
57	TENASKA	94,583,875	(3,156,264)	
58	BEP	19,609,943	(654,384)	
59	WHITE RIVER PLANT COSTS	33,499,702	(1,117,885)	
60	WHITE RIVER RELICENSING & CWIP	21,740,384	(725,477)	
61	CANWEST	(0)	-	
62	HOPKINS RIDGE PREPAID TRANSMISSION	4,614,747	(153,994)	
63	HOPKINS RIDGE INFILL MITIGATION CREDIT	(1,440,474)	48,069	
64	<i>GOLDENDALE FIXED COST DEFERRAL (NEW)</i>	<i>6,763,253</i>	<i>(225,690)</i>	
65				
66	ADJUSTMENT TO REGULATORY ASSETS RATE BASE	<u>\$ 179,392,556</u>	<u>\$ (5,986,330)</u>	<u>\$ 173,406,226</u>
67				
68	TOTAL ADJUSTMENT TO RATEBASE (LINE 56 + LINE 67)		<u>\$ (42,817,779)</u>	

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