EXHIBIT NO. ___(KRK-9)
DOCKET NO. UE-072300/UG-072301
2007 PSE GENERAL RATE CASE
WITNESS: KARL R. KARZMAR

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION,

Complainant,

v.

Docket No. UE-072300 Docket No. UG-072301

PUGET SOUND ENERGY, INC.,

Respondent.

SECOND EXHIBIT (NONCONFIDENTIAL) TO THE PREFILED SUPPLEMENTAL DIRECT TESTIMONY OF KARL R. KARZMAR ON BEHALF OF PUGET SOUND ENERGY, INC.

APRIL 11, 2008

PUGET SOUND ENERGY-GAS RESULTS OF OPERATIONS

FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2007 GENERAL RATE INCREASE

	LIME		REVISED		REVISED		REVISED ADJUSTED		REVISED REVENUE		REVISED AFTER	
LINE NO.			RESULTS OF OPERATIONS		TOTAL ADJUSTMENTS		RESULTS OF OPERATIONS		REQUIREMENT DEFICIENCY		RATE INCREASE	
1	OPERATING REVENUES:											Rate Increase
2	SALES TO CUSTOMERS	\$	1,169,255,872	\$	(115,104,222)	8	1,054,151,650	\$	57,661,164	\$	1,111,812,814	5.47%
3	MUNICIPAL ADDITIONS		49,479,594	,	(49,479,594)		-		-	,	-	
4	OTHER OPERATING REVENUES		17,032,367		(2,951,933)		14,080,433		404,891		14,485,324	2.88%
5	TOTAL OPERATING REVENUES	\$	1,235,767,832	\$	(167,535,749)	\$	1,068,232,084		\$58,066,055	\$	1,126,298,139	5.44%
6												
7												
8	OPERATING REVENUE DEDUCTIONS:											
9												
10	GAS COSTS:											
11												
12	PURCHASED GAS	\$	800,512,866	\$	(103,496,401)	\$	697,016,465	\$	-	\$	697,016,465	
13												
14	TOTAL PRODUCTION EXPENSES	\$	800,512,866	\$	(103,496,401)	\$	697,016,465	\$	-	\$	697,016,465	
15	OTHER ROWER GURBLY EXPENSES	Φ.	1 700 500	ø	(0.402	ф	1.740.111	Ф		ø	1.7/0.111	
16	OTHER POWER SUPPLY EXPENSES	\$	1,700,509	\$	68,602	\$		\$	-	\$	1,769,111	
17	TRANSMISSION EXPENSE		570,155		24,632		594,787				594,787	
18	DISTRIBUTION EXPENSE		40,817,492		1,794,913		42,612,405		1/1 /0/		42,612,405	
19	CUSTOMER ACCOUNT EXPENSES		25,226,971		676,649		25,903,620		161,424		26,065,043	
20 21	CUSTOMER SERVICE EXPENSES CONSERVATION AMORTIZATION		4,652,566		(3,298,729)		1,353,837				1,353,837	
22	ADMIN & GENERAL EXPENSE		4,796,112 38,296,979		(4,796,112)	1	(0) 40,092,409		117 122		(0) 40,208,541	
23	DEPRECIATION		72,897,010		1,795,430 14,033,313		86,930,323		116,132		86,930,323	
24	AMORTIZATION		14,088,267		(640)		14,087,627				14,087,627	
25	AMORTIZATION OF PROPERTY LOSS		14,000,207		0		14,007,027				14,007,027	
26	OTHER OPERATING EXPENSES		511,054		(1,344,765)		(833,711)				(833,711)	
27	FAS 133		-		0		-				-	
28	TAXES OTHER THAN INCOME TAXES		110,684,987		(54,167,853)		56,517,134		2,230,317		58,747,451	
29	INCOME TAXES		10,002,284		8,287,761		18,290,045		19,445,160		37,735,206	
30	DEFERRED INCOME TAXES		7,046,149		(3,070,728)		3,975,421				3,975,421	
31	TOTAL OPERATING REV. DEDUCT.	\$	331,290,535	\$	(39,997,527)	\$	291,293,008	\$	21,953,033	\$	313,246,041	
32												
33	NET OPERATING INCOME	\$	103,964,432	\$	(24,041,821)	\$	79,922,611	\$	36,113,022	\$	116,035,632	
34	DATE DAGE	•	1 251 200 050		(02.120.542)	e e	1 2 40 251 524	ø.		0	1 2 40 251 524	
35	RATE BASE	\$	1,351,380,079		(\$2,128,543)	\$	1,349,251,536	\$	-	\$	1,349,251,536	
36 37	RATE OF RETURN		7.69%				5.92%				8.60%	
38	DATE DAGE.											
39 40	RATE BASE: UTILITY PLANT IN SERVICE	\$	2,268,630,640	¢	2,458,688	¢	2,271,089,328					
41	ACCUMULATED DEPRECIATION	φ	(754,747,709)		(7,016,336)		(761,764,045)					
42	ACCUMULATED DEFERRED FIT - LIBERALIZED		(181,249,183)		2,429,105		(178,820,078)					
43	OTHER		(18,315,278)		-		(18,315,278)	_				
44	TOTAL NET INVESTMENT	\$	1,314,318,470	\$	(2,128,543)	\$						
45 46	ALLOWANCE FOR WORKING CAPITAL TOTAL RATE BASE	\$	37,061,609 1,351,380,079	S	(2,128,543)	e	37,061,609 1,349,251,536	-				
40	TOTAL RATE BASE	φ	1,331,300,079	φ	(2,120,343)	φ	1,347,431,330					

PUGET SOUND ENERGY-GAS STATEMENT OF OPERATING INCOME AND ADJUSTMENTS FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2007

RESTATING AND PRO FORMA ADJUSTMENTS

LINE NO.		C	REVISED JAL RESULTS OF OPERATIONS IE Sept. 30, 2007	>>>>>>>> REVISED TEMPERATURE NORMALIZATION 9.01	>>>>	REVISED REVENUE & EXPENSES 9.02	EVERETT DELTA LEASE 9.03	FEDERAL INCOME TAX 9.04	REVISED TAX BENEFIT OF PRO FORMA INTEREST 9.05
1	OPERATING REVENUES								
2	SALES TO CUSTOMERS MUNICIPAL ADDITIONS	\$	1,169,255,872 49,479,594	\$ (24,484,888)	\$	(42,249,172)		\$ - :	\$ -
4	OTHER OPERATING REVENUES		17,032,367			1,198,419	(4,150,352)		
5	TOTAL OPERATING REVENUES	\$	1,235,767,832	\$ (24,484,888)	\$	(41,050,753)		\$ - :	\$ -
6									
7									
8	OPERATING REVENUE DEDUCTIONS:								
9 10	GAS COSTS:								
11	GAS COSTS.								
12	PURCHASED GAS	\$	800,512,866		\$	(65,382,956)		\$ - :	s -
13			,		·	(,,,			
14	TOTAL PRODUCTION EXPENSES	\$	800,512,866	\$ -	\$	(65,382,956)	\$ -	\$ - :	\$ -
15	OTHER ENERGY CURN V EXPENSES		1 700 500		•			s - :	
16 17	OTHER ENERGY SUPPLY EXPENSES TRANSMISSION EXPENSE	\$	1,700,509 570,155		\$	-		\$ - :	-
18	DISTRIBUTION EXPENSE		40,817,492						
19	CUSTOMER ACCTS EXPENSES		25,226,971	(68,068)		(114,121)			
20	CUSTOMER SERVICE EXPENSES		4,652,566	(,)		(,)			
21	CONSERVATION AMORTIZATION		4,796,112						
22	ADMIN & GENERAL EXPENSE		38,296,979	(48,970)		(82,102)			
23	DEPRECIATION		72,897,010						
24	AMORTIZATION		14,088,267						
25 26	AMORTIZATION OF PROPERTY LOSS OTHER OPERATING EXPENSES		511,054	_		_			
27	FAS 133		511,054						
28	TAXES OTHER THAN INCOME TAXES		110,684,987	(940,465)		(1,576,759)			
29	INCOME TAXES		10,002,284	(8,199,585)		9,136,815	(1,452,623)	(2,165,855)	7,205,484
30	DEFERRED INCOME TAXES		7,046,149					1,787,482	
31	TOTAL OPERATING REV. DEDUCT.	\$	331,290,535	\$ (9,257,088)	\$	7,363,833	\$ (1,452,623)	\$ (378,373)	\$ 7,205,484
32 33	NET OPERATING INCOME	\$	103,964,432	\$ (15,227,800)	e	16,968,370	\$ (2,697,729)	\$ 378,373	\$ (7,205,484)
34	NET OFERATING INCOME	Þ	103,904,432	\$ (13,227,000)	φ	10,900,570	\$ (2,097,729)	\$ 376,373	p (7,203,404)
35	RATE BASE	\$	1,351,380,079						
36 37	RATE OF RETURN		7.69%						
38	RATE OF RETURN		7.0970						
39	RATE BASE:								
40	UTILITY PLANT IN SERVICE	\$	2,268,630,640	\$ -	\$	-		\$ - :	-
41 42	ACCUMULATED DEPRECIATION ACCUMULATED DEFERRED FIT		(754,747,709) (181,249,183)						
43	OTHER		(18,315,278)						
44	TOTAL NET INVESTMENT	\$	1,314,318,470	\$ -	\$	-		\$ - :	-
45 46	ALLOWANCE FOR WORKING CAPITAL TOTAL RATE BASE	-8	37,061,609 1,351,380,079	\$ -	S			S - :	· ·
10		<u> </u>	1,001,000,077	Ψ	Ψ			Ψ .	<u> </u>
	RATEBASE DETAIL CHECK	OK		OK	OK		OK	OK	OK
	AMOUNTS PER ORIGINAL FILING DATED	12/3/2007							
	NOI - KRK-4		103,964,432	(15,228,597)		16,941,026	(2,697,729)	378,373	(7,156,868)
	RATE BASE KRK-4 DEFICIENCY (SURPLUS) KRK-4		1,351,400,166	24 494 949		(27.229.127)	4 227 464	(600.256)	11 506 050
	AMOUNTS FROM UPDATE FILING DATEI	D 4/11/2008	19,705,419	24,484,849		(27,238,127)	4,337,464	(608,356)	11,506,959
	NOI - KRK-9		103,964,432	(15,227,800)		16,968,370	(2,697,729)	378,373	(7,205,484)
	RATE BASE KRK-9		1,351,380,079	-		-		-	-
	DEFICIENCY (SURPLUS) KRK-9 ROLLFORWARD		19,703,592	24,484,748		(27,283,408)	4,337,673	(608,385)	11,585,684
	DIFFERENCE NOI		-	797		27,344	-	-	(48,616)
	DIFFERENCE RATEBASE		(20,087)	-		-	-	-	
	DIFFERENCE DEFICIENCY		(1,827)	(100)		(45,281)	209	(29)	78,724

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

LINE NO.	***************************************		>>>>>>> REVISED PRECIATION STUDY 9.06		PASS THROUGH EVENUE & EXPENSE 9.07		>>>>>> REVISED BAD DEBTS 9.08		>>>>>>> REVISED MISCELLANEOUS OPERATING EXPENSE 9.09]	>>>>>>> REVISED ROPERTY TAXES 9.10	EXCISE TAX & FILING FEE 9.11		D&O SURANCE 9.12
	OPERATING REVENUES													
2	SALES TO CUSTOMERS MUNICIPAL ADDITIONS	\$	-	\$	(48,370,163)	\$	-	\$	-	\$	- 5	S	-	
4	OTHER OPERATING REVENUES				(49,479,594)									
	TOTAL OPERATING REVENUES	-\$	-	\$	(97,849,756)	\$	-	\$		\$	- !	\$	- S	
6	TOTAL OF ENTING REVENCES	Ψ		Ψ	(77,047,750)	Ψ		Ψ		Ψ		Ψ	Ψ	
7														
8	OPERATING REVENUE DEDUCTIONS:													
9 10	GAS COSTS:													
11														
12 13	PURCHASED GAS	\$	-	\$	(38,113,445)	\$	-	\$	-	\$	- 5	\$	-	
14	TOTAL PRODUCTION EXPENSES	\$	-	\$	(38,113,445)	\$	-	\$	-	\$	- 5	s	- \$	-
15 16	OTHER ENERGY SUPPLY EXPENSES	\$	_	s		\$	-	\$	-	\$	- 5	s		
	TRANSMISSION EXPENSE	φ		φ		φ		φ	6,661	φ		φ		
18	DISTRIBUTION EXPENSE								442,344					
19	CUSTOMER ACCTS EXPENSES				(272,022)		424,823		112,311					
	CUSTOMER SERVICE EXPENSES				(3,344,943)		121,020		(30,141)					
21	CONSERVATION AMORTIZATION				(4,796,112)				(==)===/					
22	ADMIN & GENERAL EXPENSE				(195,700)		_		790,018			(76,330))	24,618
23	DEPRECIATION		14,033,313		, , ,				, , , , , , , , , , , , , , , , , , ,			, ,		
24	AMORTIZATION		(640)											
25	AMORTIZATION OF PROPERTY LOSS													
26	OTHER OPERATING EXPENSES								(1,564,444)					
	FAS 133													
	TAXES OTHER THAN INCOME TAXES				(53,330,649)				(1,312)		1,899,642	(391,83		
	INCOME TAXES		4,859,648		771,090		(148,688)		124,906		(664,875)	163,850)	(8,616)
	DEFERRED INCOME TAXES TOTAL OPERATING REV. DEDUCT.	.\$	(4,858,210) 14,034,111	¢	(61,168,336)	¢	276,135	¢	(231,967)	¢	1,234,767	\$ (304,305	c) ¢	16,002
32	TOTAL OF EKATING KEV. DEDUCT.	φ	14,034,111	φ	(01,100,550)	φ	270,133	φ	(231,907)	φ	1,234,707	5 (304,30.	,, ,	10,002
	NET OPERATING INCOME	s	(14,034,111)	s.	1,432,025	\$	(276,135)	\$	231 967	\$	(1,234,767)	\$ 304,305	5 \$	(16,002)
34	THE OF EACH THE OF THE OWNER	Ψ.	(11,001,111)	Ψ.	1,102,020	Ψ.	(270,100)	Ψ	201,507	Ψ	(1,201,707)	501,500		(10,002)
35	RATE BASE	\$	(4,587,231)					\$	2,458,688					
36	RATE OF RETURN													
37 38	RATE OF RETURN													
39	RATE BASE:													
40	UTILITY PLANT IN SERVICE			\$	-	\$	-	\$	2,458,688	\$	- 5	\$	-	
41	ACCUMULATED DEPRECIATION		(7,016,336)						=					
42 43	ACCUMULATED DEFERRED FIT - LIBERALIZED OTHER		2,429,105											
43	TOTAL NET INVESTMENT	\$	(4,587,231)	S	-	S	_	S	2,458,688	\$	- 5	S	- S	
45	ALLOWANCE FOR WORKING CAPITAL		,											
46	TOTAL RATE BASE	\$	(4,587,231)	\$	-	\$	-	\$	2,458,688	\$	- (S	- \$	-
		OK		OK		OK		OI	7	Oi	K (OK	OK	
	AMOUNTS PER ORIGINAL FILING DATED 12/3/2007	7												
	NOI - KRK-4		(13,654,359)		1,428,845		(228,386)		428,022		(996,079)	304,305	5	(16,002)
	RATE BASE KRK-4		(4,463,810)		-		-		2,458,688		-		-	-
	DEFICIENCY (SURPLUS) KRK-4	10	21,336,535		(2,297,326)		367,204		(348,213)		1,601,516	(489,26	7)	25,728
	AMOUNTS FROM UPDATE FILING DATED 4/11/200 NOI - KRK-9	10	(14,034,111)		1,432,025		(276,135)		231,967		(1,234,767)	304,305	1	(16,002)
	RATE BASE KRK-9		(4,587,231)		1,432,023		(270,133)		2,458,688		(1,234,707)	504,50.	-	(10,002,
	DEFICIENCY (SURPLUS) KRK-9		21,931,100		(2,302,550)		443,997		(32,994)		1,985,379	(489,29	1)	25,729
	ROLLFORWARD													
	DIFFERENCE NOI		(379,752)		3,180		(47,749)		(196,055)		(238,688)		-	-
	DIFFERENCE RATEBASE DIFFERENCE DEFICIENCY		(123,421) 594,565		(5,224)		76,793		315,219		383,864	(24	(1)	1
			574,505		(5,224)		,0,,,,		313,219		505,004	(24	-/	- 1

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

LINE NO.	I INI	>>>>>>>>>>>>>>>>>>>>>>>>>>>>>>>>>>>>>>	RATE CASE EXPENSES 9.14		DEFERRED GAINS/ .OSSES PROP SALES 9.15	PROPERTY& LIABILITY INS 9.16		PENSION PLAN 9.17	>>>>>>>>> REVISED WAGE INCREASE 9.18
1 OPERATING REVENUES									
2 SALES TO CUSTOMERS 3 MUNICIPAL ADDITIONS	\$	-	-		\$	-	\$	- \$	-
4 OTHER OPERATING REVENUES									
5 TOTAL OPERATING REVENUES	\$	-	\$ -	\$	- \$	-	\$	- \$	-
6									
7									
8 OPERATING REVENUE DEDUCTIONS:									
10 GAS COSTS:									
11									
12 PURCHASED GAS	\$	= ;	s -		S	=	\$	- \$	-
13									
14 TOTAL PRODUCTION EXPENSES	\$	-	-	\$	- \$	-	\$	- \$	-
15 16 OTHER ENERGY SUPPLY EXPENSES			s -		S	-	\$	- \$	54,124
17 TRANSMISSION EXPENSE								,	14,409
18 DISTRIBUTION EXPENSE									1,099,143
19 CUSTOMER ACCTS EXPENSES		187,784							424,761
20 CUSTOMER SERVICE EXPENSES									60,646
21 CONSERVATION AMORTIZATION 22 ADMIN & GENERAL EXPENSE			67,686			130,939		(408,851)	478,692
23 DEPRECIATION			07,080			130,939		(408,851)	478,092
24 AMORTIZATION									
25 AMORTIZATION OF PROPERTY LOSS									
26 OTHER OPERATING EXPENSES					219,679				
27 FAS 133 28 TAXES OTHER THAN INCOME TAXES									136,381
28 TAXES OTHER THAN INCOME TAXES 29 INCOME TAXES		:	\$ (23,690))	(76,888)	(45,829)		143,098	(793,855
30 DEFERRED INCOME TAXES			(==,===,	,	(,)	(10,021)		- 10,000	(112,000)
31 TOTAL OPERATING REV. DEDUCT.	\$	187,784	\$ 43,996	\$	142,791 \$	85,111	\$	(265,753) \$	1,474,301
32									
33 NET OPERATING INCOME 34	\$	(187,784)	\$ (43,996)) \$	(142,791) \$	(85,111)	\$	265,753 \$	(1,474,301
35 RATE BASE	\$	-							
36									
37 RATE OF RETURN 38									
39 RATE BASE:									
40 UTILITY PLANT IN SERVICE	\$	-	S -		\$	-	\$	- \$	-
41 ACCUMULATED DEPRECIATION 42 ACCUMULATED DEFERRED FIT - LIBERALIZED		-							
43 OTHER									
44 TOTAL NET INVESTMENT	\$	-	-	\$	- \$	-	\$	- \$	-
45 ALLOWANCE FOR WORKING CAPITAL 46 TOTAL RATE BASE	<u> </u>	-	S -	S	- S	-	S	- S	
				_				·	
	OK		OK	O)	K (OK .	OK	OK.	
AMOUNTS PER ORIGINAL FILING DATED 12/3/2007	1	(221.215)	//0.55	,	21 12 EQ. ::	/44# #****		045.550	(1.110.::-
NOI - KRK-4 RATE BASE KRK-4		(321,319)	(43,996))	(142,791)	(115,718)		265,753	(1,443,449
DEFICIENCY (SURPLUS) KRK-4		516,623	70,738		229,583	186,053		(427,283)	2,320,806
AMOUNTS FROM UPDATE FILING DATED 4/11/200	8	(107.70.4)	/42.00.0		(1.10.70.1)	metts		265.752	(1.454.004
NOI - KRK-9 RATE BASE KRK-9		(187,784)	(43,996)	,	(142,791)	(85,111)		265,753	(1,474,301
DEFICIENCY (SURPLUS) KRK-9		301,938	70,741		229,594	136,849		(427,304)	2,370,526
ROLLFORWARD		122.525				20.505			(20.052
DIFFERENCE NOI DIFFERENCE RATEBASE		133,535			-	30,607		-	(30,853
DIFFERENCE DEFICIENCY		(214,686)	3		11	(49,204)		(21)	49,720

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

LINE	······		REVISED VESTMENT PLAN	EMPLOYEE INSURANCE		REVISED NCENTIVE PAY	TOTAL ADJUSTMENTS	ADJUSTED RESULTS OF
NO.			9.19	9.20		9.21		OPERATIONS
1	OPERATING REVENUES							
2	SALES TO CUSTOMERS	\$	- \$		- \$	- \$	(', ', ', '	\$ 1,054,151,650
3 4	MUNICIPAL ADDITIONS OTHER OPERATING REVENUES						(49,479,594)	14.000.422
5	TOTAL OPERATING REVENUES	\$	- \$		- \$	- 5	(2,951,933)	14,080,433 \$ 1,068,232,084
6	TOTAL OPERATING REVENUES	Þ	- p		- p	- 4	(107,333,749)	\$ 1,000,232,004
7								
8	OPERATING REVENUE DEDUCTIONS:							
9								
10	GAS COSTS:							
11								
12	PURCHASED GAS	\$	- \$		- \$	- \$	(103,496,401)	\$ 697,016,465
13								
14	TOTAL PRODUCTION EXPENSES	\$	- \$		- \$	- \$	(103,496,401)	\$ 697,016,465
15 16	OTHER ENERGY SUPPLY EXPENSES	\$	- \$		- \$	14,478	68,602	\$ 1,769,111
17	TRANSMISSION EXPENSE	4	- ψ		φ	3,562	24,632	594,787
18	DISTRIBUTION EXPENSE					253,426	1,794,913	42,612,405
19	CUSTOMER ACCTS EXPENSES					93,492	676,649	25,903,620
20	CUSTOMER SERVICE EXPENSES					15,709	(3,298,729)	1,353,837
21	CONSERVATION AMORTIZATION						(4,796,112)	(0
22	ADMIN & GENERAL EXPENSE		94,757	888,34	2	132,331	1,795,430	40,092,409
23	DEPRECIATION						14,033,313	86,930,323
24	AMORTIZATION						(640)	14,087,627
25	AMORTIZATION OF PROPERTY LOSS						-	-
26	OTHER OPERATING EXPENSES						(1,344,765)	(833,711
27	FAS 133					27.141	- (54147.053)	-
28	TAXES OTHER THAN INCOME TAXES INCOME TAXES		(33,165)	(310,92	O)	37,141 (192,549)	(54,167,853) 8,287,761	56,517,134 18,290,045
30	DEFERRED INCOME TAXES		(33,103)	(310,92	0)	(172,347)	(3,070,728)	3,975,421
31	TOTAL OPERATING REV. DEDUCT.	\$	61,592 \$	577,42	2 \$	357,590 \$		
32								
33	NET OPERATING INCOME	\$	(61,592) \$	(577,42	2) \$	(357,590) \$	(24,041,821)	\$ 79,922,611
34						_		
35	RATE BASE					\$	(2,128,543)	\$ 1,349,251,536
36 37	RATE OF RETURN							5.92%
38								
39	RATE BASE:							
40	UTILITY PLANT IN SERVICE	\$	- \$		- \$	- 5		
41 42	ACCUMULATED DEPRECIATION ACCUMULATED DEFERRED FIT - LIBERALIZED						(7,016,336) 2,429,105	(761,764,045 (178,820,078
43	OTHER						2,427,103	(18,315,278
44	TOTAL NET INVESTMENT	\$	- \$		- \$	- \$	(2,128,543)	\$ 1,312,189,927
45	ALLOWANCE FOR WORKING CAPITAL							37,061,609
46	TOTAL RATE BASE	\$	- \$		- \$	- \$	(2,128,543)	\$ 1,349,251,536
		OK	Oi	K	OK		OK .	OK .
								0.0
	AMOUNTS PER ORIGINAL FILING DATED 12/3/2007		(61.100)	(577.42	2/	(200, 202)	(22.225.701)	00 720 721
	NOI - KRK-4 RATE BASE KRK-4		(61,108)	(577,42	<i>-</i>)	(288,202)	(23,225,701) (2,005,122)	80,738,731 1,349,395,044
	DEFICIENCY (SURPLUS) KRK-4		98,251	928,39	1	463,377	37,065,503	56,770,922
	AMOUNTS FROM UPDATE FILING DATED 4/11/2008							
	NOI - KRK-9		(61,592)	(577,42	2)	(357,590)	(24,041,821)	79,922,611
	RATE BASE KRK-9 DEFICIENCY (SURPLUS) KRK-9		99,033	928,43	-	574.968	(2,128,543) 38,362,463	1,349,251,536 58,066,055
	ROLLFORWARD		27,033	720,43		374,708	30,302,403	36,000,033
	DIFFERENCE NOI		(483)		-	(69,388)	(816,120)	(816,120
	DIFFERENCE RATEBASE		-		-	-	(123,421)	(143,508
	DIFFERENCE DEFICIENCY		782	4	5	111,591	1,296,959	1,295,132

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

NO.	DESCRIPTION	ACTUAL	RESTATED	AD	JUSTMENT		
1	TEMPERATURE NORMALIZATION ADJUSTI	MENIT.					
2	TEMPERATURE NORWALIZATION ADJUST	ACTUAL	TEMP ADJ		THERMS		
3		THERMS	THERMS		CHANGE		
4	Oct-06	82,398,883	79,616,166		(2,782,717)		
5	Nov-06	122,310,200	119,321,723		(2,988,477)		
6	Dec-06		151,250,129		(1,061,890)		
7	Jan-07	162,522,738	146,997,535		(15,525,203)		
8	Feb-07	123,546,494	124,495,095		948,601		
9	Mar-07	115,870,737	117,976,585		2,105,848		
10	Apr-07	88,944,071	87,374,580		(1,569,491)		
11	May-07	66,872,283	67,631,429		759,146		
12	Jun-07	49,867,206	49,274,516		(592,690)		
13	Jul-07	43,516,377	43,516,377		0		
14	Aug-07	44,021,922	44,021,922		0		
15	Sep-07	54,790,972	52,732,112		(2,058,860)		
16		1,106,973,902	1,084,208,169		(22,765,733)		
17							
18	REVENUE ADJUSTMENT:	Residential (23, 53)		\$	(17,702,847)		
19		Residential (16)			0		
20		Commercial & indus	trial (31,36,51)		(6,002,462)		
21		Large volume (41)			0		
22		Compressed natural g	gas (50)		0		
23		Interruptible (85)			(135,931)		
24		Limited interruptible	* *		(304,428)		
25		Non exclusive interru	ıptible (87)		(296,095)		
26		Transportation (57)			(31,415)		
27		Contracts (99,199,29	9)		(11,711)		
28	INCREASE (DECREASE) SALES TO CUSTOM	IERS			S	\$	(24,484,888)
29							
30	UNCOLLECTIBLES @		0.00278	\$	(68,068)		
31	ANNUAL FILING FEE @		0.00200		(48,970)		
32	INCREASE (DECREASE) EXPENSES						(117,038)
33					(0.40.44=)		
34	STATE UTILITY TAX @		0.03841	\$	(940,465)		(0.40.45)
35 36	INCREASE (DECREASE) TAXES OTHER				_		(940,465)
36 37	INCREASE (DECREASE) INCOME						(23,427,385)
38	NICHEAGE (DECIDEAGE) TITLO		ā				(0.100.505)
39 40	INCREASE (DECREASE) FIT @ INCREASE (DECREASE) NOI		35%		-	ç	(8,199,585) (15,227,800)
40	INCREASE (DECREASE) NOI				=	D	(13,447,000)

PUGET SOUND ENERGY-GAS REVENUE AND EXPENSES THE TWELVE MONTHS ENDED SEPTEMBEI

FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2007 GENERAL RATE INCREASE

NO.	DESCRIPTION	ADJUS	STMENT
1	SALES TO CUSTOMERS:	ф. 12 c21 527	
2	ADD GRC INCREASE DOCKET UG-060267	\$ 12,621,527	
3	RECLASS PENALTIES AND NEW CUSTOMER REVENUE TO	(002.720)	
4	OTHER OPERATING	(903,739)	
5	OCTOBER 2007 PURCHASED GAS	(47.205.174)	
6	ADJUSTMENT, DOCKET UG-071775.	(47,385,174)	
7	SCHEDULE MIGRATION	(2,218,411)	
8	TRUE UP CHANGE IN UNBILLED	(5,687,892)	
9	OTHER ADJUSTMENTS	1,324,517	_
10	RESTATING ADJUSTMENTS SALES TO CUSTOMERS	(42,249,172)	_
11	TOTAL NICHELIE (DECREAGE) GALLEG TO CLUTTOMERG		¢ (42.240.152)
12	TOTAL INCREASE (DECREASE) SALES TO CUSTOMERS		\$ (42,249,172)
13			
14	OTHER OPERATING REVENUES		
15	RENTALS:		
16	ADD GRC INCREASE DOCKET 060266	220,411	
17	TRUE UP CHANGE IN UNBILLED	74,269	
18	OTHER OPERATING REVENUES		
19	RECLASS PENALTIES AND NEW CUSTOMER REVENUE	002 720	
20	FROM SALES TO CUSTOMERS	903,739	
21	TOTAL INCREASE (DECREASE) OTHER OPERATING REVENUE		1,198,419
22			
23	TOTAL INCREASE (DECREASE) REVENUES		(41,050,753)
24			
25	OPERATING EXPENSES:		
26	PURCHASED GAS COSTS	\$ (65,382,956)	
27	UNCOLLECTIBLES @	0.00278 \$ (114,121)	
28	ANNUAL FILING FEE @	0.00200 (82,102)	•
29	INCREASE (DECREASE) EXPENSES		(65,579,178)
30			
31	STATE UTILITY TAX @	0.03841 \$ (1,576,759)	_
32			
33	INCREASE (DECREASE) TAXES OTHER		(1,576,759)
34			
35	INCREASE (DECREASE) INCOME		26,105,185
36	INCREASE (DECREASE) FIT @	35%	9,136,815
37	INCREASE (DECREASE) NOI		\$ 16,968,370

PUGET SOUND ENERGY-GAS EVERETT DELTA

FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2007 GENERAL RATE INCREASE

NO.	DESCRIPTION		ACTUAL	AD	JUSTMENTS		RESTATED
1	OPERATING REVENUES:						
2	SALES TO CUSTOMERS			\$	-	\$	-
3	MUNICIPAL ADDITIONS				-		-
4	OTHER OPERATING REVENUES		4,150,352		(4,150,352)		-
5	TOTAL OPERATING REVENUES	\$	4,150,352	\$	(4,150,352)	\$	-
6							
7							
8	OPERATING REVENUE DEDUCTIONS:						
9							
10	GAS COSTS:						
11							
12	PURCHASED GAS	\$	-	\$	-	\$	-
13							
14	TOTAL PRODUCTION EXPENSES		=		-		-
15							
16	OTHER POWER SUPPLY EXPENSES		-		-		-
17	TRANSMISSION EXPENSE		-		-		-
18	DISTRIBUTION EXPENSE		-		-		-
19	CUSTOMER ACCOUNT EXPENSES		-		-		-
20	CUSTOMER SERVICE EXPENSES		-		-		-
21	CONSERVATION AMORTIZATION		-		-		-
22	ADMIN & GENERAL EXPENSE		-		-		-
23	DEPRECIATION		578,772		-		578,772
24	AMORTIZATION		-		-		-
25	AMORTIZATION OF PROPERTY LOSS		-		-		-
26	OTHER OPERATING EXPENSES		-		-		-
27	FAS 133		-		-		-
28	PROPERTY TAX		491,910		-		491,910
29	INCOME TAXES		1,077,885		(1,452,623)		(374,738)
30	DEFERRED INCOME TAXES		-		-		-
31	TOTAL OPERATING REV. DEDUCT.		2,148,566		(1,452,623)		695,943
32	NET OPERATING INCOME	¢	2 001 796	¢	(2 607 720)	ø	(605.042)
33	NET OF ERVITING INCOME	\$	2,001,786	Э	(2,697,729)	Э	(695,943)
34	DATE DACE	\$	23,765,912		\$0	Ф	23,765,912
35 36	RATE BASE	φ	23,703,912		φU	Ф	23,703,912
37	RATE OF RETURN		8.42%				-2.95%
38							
39	RATE BASE:						
40	UTILITY PLANT IN SERVICE	\$	30,624,284	\$	-	\$	30,624,284
41	ACCUMULATED DEPRECIATION		(1,374,636)		-		(1,374,636)
42 43	ACCUMULATED DEFERRED FIT - LIBER / OTHER		(5,483,736)		-		(5,483,736)
44	TOTAL NET INVESTMENT		23,765,912				23,765,912
45	ALLOWANCE FOR WORKING CAPITAL		-		-		-
46	TOTAL RATE BASE	\$	23,765,912	\$	-	\$	23,765,912
47	;						
48	AFTER TAX PROPUSED FOR RATE OF	u,	1.29%			er.	1.29%
49 50	OPERATING INCOME REQUIREMENT NET OPERATING INCOME (Line 33)	\$	1,732,535 2,001,786			\$	1,732,535 (695,943)
50 51	OPERATING INCOME (Line 33)		(269,251)				2,428,478
52	CONVERSION FACTOR		65%				65%
53	LEASE REVENUE ADJUSTMENT (Line 50 /	\$	(414,232)			\$	3,736,120

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

NO.	DESCRIPTION		AMOUNT
1	TAXABLE INCOME	\$	22,389,797
2	TAMBLE INCOME	Ψ	22,300,101
3	FEDERAL INCOME TAX		
4	CURRENT FIT @ 35%		7,836,429
5	DEFERRED FIT - DEBIT		43,360,625
6	DEFERRED FIT - CREDIT		(33,624,571)
7	DEFERRED FIT - INV TAX CREDIT, NET OF AMORTIZATION		(902,423)
8	TOTAL RESTATED FIT	\$	16,670,060
9			
10	FIT PER BOOKS:		
11	CURRENT FIT	\$	10,002,284
12	DEFERRED FIT - DEBIT		48,445,101
13	DEFERRED FIT - CREDIT		(40,948,243)
14	DEFERRED FIT - INV TAX CREDIT, NET OF AMORTIZATION		(450,709)
15			
16	TOTAL CHARGED TO EXPENSE	\$	17,048,433
17		-	
18	INCREASE(DECREASE) FIT	\$	(2,165,855)
19	INCREASE(DECREASE) DEFERRED FIT		2,239,196
20	INCREASE(DECREASE) ITC		(451,714)
21	INCREASE(DECREASE) NOI	\$	378,373

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

NO.	DESCRIPTION		AMOUNT
1 2	RATE BASE DEDUCTIBLE CWIP	\$ 1,349,251,536 47,186,981	
3	NET RATE BASE	\$ 1,396,438,517	
4			
5	WEIGHTED COST OF DEBT	3.74%	
6	PROFORMA INTEREST		\$ 52,226,801
7			
8	INTEREST EXPENSE ITEMS PER BOOKS:		
9	INTEREST ON LONG TERM DEBT	\$ 63,212,987	
10	INTEREST ON PREFERRED STOCK		
11	AMORTIZATION OF DEBT DISCOUNT		
12	AND EXPENSE, NET OF PREMIUMS	1,126,339	
13	INTEREST ON DEBT TO ASSOCIATED COMPANIES	477,460	
14	OTHER INTEREST EXPENSE	8,184,896	
15	LESS INTEREST ON CUSTOMER DEPOSITS	 (187,784)	
16	CHARGED TO EXPENSE IN TEST YEAR		72,813,898
17	INCREASE (DECREASE) INCOME		\$ 20,587,098
18			
19	INCREASE (DECREASE) FIT @	35%	 7,205,484
20	INCREASE (DECREASE) NOI		\$ (7,205,484)

PUGET SOUND ENERGY-GAS DEPRECIATION

FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2007 GENERAL RATE INCREASE

NO.	DESCRIPTION	1	ACTUAL	RESTATED	ΑĽ	JUSTMENT
1	ADJUSTMENT TO OPERATING EXPENSES					
2		\$	68,026,974	\$ 79,599,749	\$	11,572,775
3	403 GAS PORTION OF COMMON		2,369,038	4,857,234		2,488,196
4	403 DEPR. EXP. ON ASSETS NOT INCLUDED IN STUDY		1,886,500	1,886,500		-
5	SUBTOTAL DEPRECIATION EXPENSE 403		72,282,513	86,343,484		14,060,971
6						
7	403.1 DEPR. EXP- FAS 143 (RECOVERED IN RATES)		614,403	614,403		-
8	403.1 DEPR. EXP - FAS 143 (NOT RECOVERED IN RATES)		94			(94)
9	SUBTOTAL DEPRECIATION EXPENSE 403.1		614,497	614,403		(94)
10	-					
11	TOTAL DEPRECIATION EXPENSE		72,897,010	86,957,887		14,060,877
12	-					
13	4111 ACCRETION EXP FAS 143 (RECOVERED IN RATES)		303,738	303,738		-
14	4111 ACCRETION EXP FAS 143 (NOT RECOVERED IN RATES)		640			(640)
15	SUBTOTAL ACCRETION EXPENSE 411.1		304,378	303,738		(640)
16	-					
17	FLEET DEPR. EXP. ON INC STMNT NOT RECORDED IN 403		48,221	20,656		(27,565)
18	-					
19	INCREASE(DECREASE) EXPENSE				\$	14,032,673
20	INCREASE(DECREASE) FIT					4,859,648
21	INCREASE(DECREASE) DEFERRED FIT					(4,858,210)
22	INCREASE(DECREASE) NOI				\$	(14,034,111)
23						
24						
25	ADJUSTMENT TO RATE BASE					
26	ADJUST ACCUM DEPR FOR ADDITIONAL DEPR EXP (50% OF LINE 19)				\$	(7,016,336)
27	ADJUST ACCUMULATED DFIT FOR ADDITIONAL EXPENSE (50% OF LI	NE 21)		•	2,429,105
28	TOTAL ADJUSTMENT TO RATEBASE		.,		\$	(4,587,231)
					_	(-,,)

PUGET SOUND ENERGY-GAS PASS THROUGH REVENUE AND EXPENSE FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2007 GENERAL RATE INCREASE

3 REMOVE CONSERVATION - SCHEDULE 120 4 REMOVE REVENUE ASSOC WITH PGA AMORTIZATION - SCHEDULE 106 5 REMOVE MUNICIPAL TAXES ASSOC WITH SALES TO CUSTOMERS 6 REMOVE MUNICIPAL TAXES ASSOC WITH OTHER OPRTG REV 7 TOTAL (INCREASE) DECREASE REVENUES 8 9 ADJUST REVENUE SENSITIVE ITEMS FOR REMOVAL OF REVENUE: 10 BAD DEBTS 11 ANNUAL FILING FEE 12 STATE UTILITY TAX 13.841000% 13 (3.441000%)	3,498,771 5,016,543
REMOVE LOW INCOME - SCHEDULE 129 REMOVE CONSERVATION - SCHEDULE 120 REMOVE REVENUE ASSOC WITH PGA AMORTIZATION - SCHEDULE 106 REMOVE MUNICIPAL TAXES ASSOC WITH SALES TO CUSTOMERS REMOVE MUNICIPAL TAXES ASSOC WITH OTHER OPRTG REV TOTAL (INCREASE) DECREASE REVENUES ADJUST REVENUE SENSITIVE ITEMS FOR REMOVAL OF REVENUE: BAD DEBTS O.278000% ANNUAL FILING FEE STATE UTILITY TAX 3.841000% (3.278000%)	5,016,543
3 REMOVE CONSERVATION - SCHEDULE 120 4 REMOVE REVENUE ASSOC WITH PGA AMORTIZATION - SCHEDULE 106 5 REMOVE MUNICIPAL TAXES ASSOC WITH SALES TO CUSTOMERS 6 REMOVE MUNICIPAL TAXES ASSOC WITH OTHER OPRTG REV 7 TOTAL (INCREASE) DECREASE REVENUES 8 9 ADJUST REVENUE SENSITIVE ITEMS FOR REMOVAL OF REVENUE: 10 BAD DEBTS 11 ANNUAL FILING FEE 12 STATE UTILITY TAX 3.841000% (3	5,016,543
4 REMOVE REVENUE ASSOC WITH PGA AMORTIZATION - SCHEDULE 106 5 REMOVE MUNICIPAL TAXES ASSOC WITH SALES TO CUSTOMERS 6 REMOVE MUNICIPAL TAXES ASSOC WITH OTHER OPRTG REV 7 TOTAL (INCREASE) DECREASE REVENUES 8 9 ADJUST REVENUE SENSITIVE ITEMS FOR REMOVAL OF REVENUE: 10 BAD DEBTS 11 ANNUAL FILING FEE 12 STATE UTILITY TAX 3.841000% (3	
5 REMOVE MUNICIPAL TAXES ASSOC WITH SALES TO CUSTOMERS 6 REMOVE MUNICIPAL TAXES ASSOC WITH OTHER OPRTG REV 7 TOTAL (INCREASE) DECREASE REVENUES 9 ADJUST REVENUE SENSITIVE ITEMS FOR REMOVAL OF REVENUE: 10 BAD DEBTS 11 ANNUAL FILING FEE 12 STATE UTILITY TAX 4 SALES TO CUSTOMERS 4 DESTRUCTION OF THE PROPERTY OF THE	
6 REMOVE MUNICIPAL TAXES ASSOC WITH OTHER OPRTG REV 7 TOTAL (INCREASE) DECREASE REVENUES 8 9 ADJUST REVENUE SENSITIVE ITEMS FOR REMOVAL OF REVENUE: 10 BAD DEBTS 11 ANNUAL FILING FEE 12 STATE UTILITY TAX 13.841000% (3)	9,854,849
7 TOTAL (INCREASE) DECREASE REVENUES 8 9 <u>ADJUST REVENUE SENSITIVE ITEMS FOR REMOVAL OF REVENUE:</u> 10 BAD DEBTS 11 ANNUAL FILING FEE 12 STATE UTILITY TAX 9 0.278000% 10 0.200000% 11 (3.841000%) 12 (3.841000%)	9,121,411
8 9 <u>ADJUST REVENUE SENSITIVE ITEMS FOR REMOVAL OF REVENUE:</u> 10 BAD DEBTS 0.278000% 11 ANNUAL FILING FEE 0.200000% 12 STATE UTILITY TAX 3.841000% (3	358,182
9 ADJUST REVENUE SENSITIVE ITEMS FOR REMOVAL OF REVENUE: 10 BAD DEBTS 11 ANNUAL FILING FEE 12 STATE UTILITY TAX 3.841000% (3.201300)	97,849,756
10 BAD DEBTS 0.278000% 11 ANNUAL FILING FEE 0.200000% 12 STATE UTILITY TAX 3.841000% (3	
11 ANNUAL FILING FEE 0.200000% 12 STATE UTILITY TAX 3.841000% (3	
12 STATE UTILITY TAX 3.841000% (3	(272,022)
1.07.07.000	(195,700)
13 TOTAL INCREASE (DECREASE) EXPENSE 4.369178%	3, <i>758,409</i>)
	4,226,131)
14	
15 REMOVE EXPENSES ASSOCIATED WITH RIDERS	
16 REMOVE LOW INCOME AMORTIZATION - SCHEDULE 129 (:	3,344,943)
17 REMOVE CONSERVATION AMORTIZATION - SCHEDULE 120 (4	4,796,112)
18 REMOVE PGA DEFERRAL AMORTIZATION EXP - SCHEDULE 106 (3)	8,113,445)
19 REMOVE MUNICIPAL TAXES ASSOC WITH SALES TO CUSTOMERS (4)	9,572,240)
20 REMOVE MUNICIPAL TAXES ASSOC WITH OTHER OPRTG REV INCL. A	BOVE
21 TOTAL INCREASE (DECREASE) EXPENSE (99	5,826,741)
22	
23 INCREASE (DECREASE) IN OPERATING INCOME BEFORE TAXES	2,203,115
24 INCREASE (DECREASE) FIT	771,090
25 INCREASE (DECREASE) NOI	1.432.025

PUGET SOUND ENERGY-GAS BAD DEBTS

FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2007 GENERAL RATE INCREASE

LINE			NET	GROSS		NET		
NO.	DESCRIPTION	W	RITEOFFS	REVENUES	R	REVENUES		AMOUNT
1	12 MOS ENDED 09/30/2004	\$	2,058,469	\$ 736,127,073	\$	736,127,073		0.2796350%
2	12 MOS ENDED 09/30/2005	\$	2,735,000	\$ 879,440,289	\$	879,440,289		0.3109933%
3	12 MOS ENDED 09/30/2007	\$	3,007,806	\$ 1,235,767,832	\$ 1	1,235,767,832		0.2433957%
4	3-Yr Average of Net Write Off Rate							0.2780080%
5								
6	Test Period Revenues			\$ 1,235,767,832	\$ 1	1,235,767,832		
7								
8	PROFORMA BAD DEBT RATE					0.2780080%		
9	PROFORMA BAD DEBTS				\$	3,435,533	•	
10								
11	UNCOLLECTIBLES CHARGED TO EXPENSE IN TE	ST Y	YEAR			3,010,710		
12	INCREASE (DECREASE) EXPENSE						\$	424,823
13								
14	INCREASE (DECREASE) FIT					35%		(148,688)
15	INCREASE (DECREASE) NOI						\$	(276,135)

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

LINE			RESTATED /		
NO.	DESCRIPTION	ACTUAL	PROFORMA	ADJ	USTMENT
1	OPERATING EXPENSES				
2	AMORT OF DEFERRED TAXES OF INDIRECT OVERHEADS				
3	REGULATORY ASSET (WUTC DOC # UG-051528)	\$ 1,015,556		\$	(1,015,556)
4	INCREASE IN SERVICE CONTRACT BASELINE CHARGES TSM	134,575	141,236		6,661
5	INCREASE IN SERVICE CONTRACT BASELINE CHARGES DIST	10,061,331	10,503,675		442,344
6	ADJUSTMENT FOR ONE-TIME FAS 106 CURTAILMENT GAIN	(168,077)			168,077
7	COMPANY STORE - PURCHASE OF MERCHANDISE	30,141	0		(30,141)
8	COMPANY STORE - PURCHASE OF MERCHANDISE	27,648	0		(27,648)
9	COMPANY STORE - SALE OF MERCHANDISE	(44,441)	0		44,441
10	SUMMIT BUILDING CONTRACTUAL RENT INCREASES				
11	PER ACCOUNTING PETITION #UE-071876	443,035	1,106,539		663,504
12	AMORTIZATION OF SUMMIT BUYOUT PURCHASE OPTION				
13	PER ACCOUNTING PETITION #UE-071876	0	(548,888)		(548,888)
14	MERGER SAVINGS	39,525			(39,525)
15	ADJUSTMENT TO MOVE WAGES FOR OFFICER TIME ON MERGER				
16	CHARGED TO PSE:				
17	EMPLOYEE BENEFITS, FERC 926	3,923			(3,923)
18	PAYROLL TAXES, FERC 408.1	1,312			(1,312)
19	LABOR & LABOR OH, PTO, INCENTIVES, FERC 920	14,908			(14,908)
20					
21	INCREASE (DECREASE) IN EXPENSE	\$ 11,559,436	\$ 11,202,562	\$	(356,873)
22					
23	INCREASE (DECREASE) IN OPERATING EXPENSE				(356,873)
24	INCREASE(DECREASE) FIT @		35%		124,906
25					
26	INCREASE(DECREASE) NOI			\$	231,967
27					
28					
29	RATEBASE				
30	CWIP "IN SERVICE" BUT NOT TRANSFERRED TO PLANT				2,458,688
31					
32					
33					
34	TOTAL ADJUSTMENT TO RATEBASE			\$	2,458,688

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

NO.	DESCRIPTION	AMOUNT			
1	RESTATED PROPERTY TAX		\$	12,375,927	
2	CHARGED TO EXPENSE IN TY			10,476,286	
3	INCREASE(DECREASE) EXPENSE		\$	1,899,642	
4					
5	INCREASE(DECREASE) FIT @	35%		(664,875)	
6	INCREASE(DECREASE) NOI		\$	(1,234,767)	

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

NO.	DESCRIPTION	AMOUNT		
1	RESTATED EXCISE TAXES		\$	47,160,661
2	CHARGED TO EXPENSE FOR TEST YEAR			47,552,492
3	INCREASE(DECREASE) EXCISE TAX		\$	(391,831)
4				
5	RESTATED WUTC FILING FEE		\$	2,451,363
6	CHARGED TO EXPENSE FOR TEST YEAR			2,527,692
7	INCREASE(DECREASE) WUTC FILING FEE		\$	(76,330)
8				
9	INCREASE(DECREASE) OPERATING EXPENSE		\$	(468,161)
10				
11	INCREASE(DECREASE) FIT	35%	\$	163,856
12	INCREASE(DECREASE) NOI		\$	304,305

PUGET SOUND ENERGY-GAS D&O INSURANCE

FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2007 GENERAL RATE INCREASE

NO.	DESCRIPTION	TEST YEAR		T YEAR RESTATED		ADJ	USTMENT
1	D & O INS. CHG EXPENSE	\$	743,653	\$	768,270	\$	24,618
2							
3	INCREASE (DECREASE) D&O EXPENSE	\$	743,653	\$	768,270	\$	24,618
4							
5	INCREASE (DECREASE) EXPENSE						24,618
6							
7	INCREASE (DECREASE) FIT @				35%		(8,616)
8	INCREASE (DECREASE) NOI					\$	(16,002)
-						-	(,)

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

NO.	DESCRIPTION	ADJU	JSTMENT
1	INTEREST EXPENSE FOR TEST YEAR	\$	187,784
3	INCREASE (DECREASE) NOI	\$	(187,784)

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

NO.	DESCRIPTION				AMOUNT
1 2	DEFERRED EXPENDITURES TO BE AMORTIZED:				
3	REMAINING 2001 GRC DEFERRALS TO BE AMORTIZED	IMN	IATERIAL		
4	LESS TEST YEAR EXPENSE: 2001 GRC AMORTIZATION		241,861		
5	INCREASE (DECREASE) EXPENSE		(241,861)	\$	(241,861)
6				:	
7					
8	REMAINING 2004 GRC DEFERRALS TO BE AMORTIZED	IMN	IATERIAL		
9	LESS TEST YEAR EXPENSE: 2004 GRC AMORTIZATION		110,484		
10	INCREASE (DECREASE) EXPENSE		(110,484)	•	(110,484)
11				i	
12					
13	EXPENSES TO BE NORMALIZED:				
14					
15	ESTIMATED GRC EXPENSES TO BE NORMALIZED	\$	1,474,000		
16					
17	ANNUAL NORMALIZATION (LINE 22 / 2 YEARS)		737,000		
18	LESS TEST YEAR EXPENSE: GRC DIRECT CHARGES TO O&M		316,969		
19	INCDEACE (DECDEACE) EVDENCE	\$	420,031		420.021
20 21	INCREASE (DECREASE) EXPENSE	Ψ	420,031		420,031
22					
23	TOTAL INCREASE (DECREASE) EXPENSE			\$	67,686
24	TOTAL INCREASE (DECREASE) EAT ENSE			T	21,222
25	INCREASE(DECREASE) FIT @	35%			(23,690)
26	INCREASE(DECREASE) NOI			\$	(43,996)

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

NO.	DESCRIPTION		AMOUNT
1	DEFERRED (GAIN) RECORDED SINCE UG-040640 @ 12/31/2006	\$	(1,167,199)
2	DEFERRED LOSS RECORDED SINCE UG-040640 @ 12/31/2006		312,730
3	TOTAL DEFERRED NET (GAIN) LOSS TO AMORTIZE	\$	(854,469)
4			
5	AMORTIZATION OF DEFERRED NET (GAIN) LOSS FOR RATE YEAR (Line 3/3years)		(284,823)
6			
7	AMORTIZATION OF DEFERRED NET (GAIN) LOSS FOR TEST YEAR		(504,502)
8			
9	INCREASE (DECREASE) EXPENSE (Line 5 - Line 7)	\$	219.679
10		т	
11	INCREASE (DECREASE) FIT @ 35%		(76,888)
12	Thereal DD (DD of the Labor) 111 0 50 %		(10,000)
13	INCREASE (DECREASE) NOI	\$	(142.791)
13	1,012,02 (22012,02) 1,01		(112,771)

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

NO.	DESCRIPTION	ACTUAL	PROFORMA	AD	JUSTMENT
1	PROPERTY INSURANCE EXPENSE	\$ 346,848	382,814	\$	35,965
2	LIABILITY INSURANCE EXPENSE	862,117	957,091		94,974
3	INCREASE(DECREASE) EXPENSE	\$ 1,208,965 \$	1,339,904	\$	130,939
4					
5					
6	INCREASE (DECREASE) FIT @	35%			(45,829)
7	INCREASE (DECREASE) NOI			\$	(85,111)
			1		

PUGET SOUND ENERGY-GAS PENSION PLAN

FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2007 GENERAL RATE INCREASE

NO.	DESCRIPTION	ACTUAL	RESTATED	ADJUSTMENT
1	QUALIFIED RETIREMENT FUND	\$ 490,476	\$ -	\$ (490,476)
2	SERP PLAN	\$ 1,228,239	\$ 1,309,865	\$ 81,626
3				
4	INCREASE(DECREASE) EXPENSE	\$ 1,718,716	\$ 1,309,865	\$ (408,851)
5				
6				
7	INCREASE (DECREASE) FIT @	35%		143,098
8	INCREASE (DECREASE) NOI			\$ 265,753

PUGET SOUND ENERGY-GAS WAGE INCREASE

FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2007 GENERAL RATE INCREASE

NO.	DESCRIPTION	T	TEST YEAR		RATE YEAR		JUSTMENT
1	WAGES:						
2	PRODUCTION MANUF. GAS	\$	87,830	\$	93,466	\$	5,636
3	OTHER GAS SUPPLY		478,721		503,463		24,742
4	STORAGE, LNG T&G		475,599		499,345		23,746
5	TRANSMISSION		246,149		260,558		14,409
6	DISTRIBUTION		17,003,356		18,102,499		1,099,143
7	CUSTOMER ACCTS		6,116,658		6,541,419		424,761
8	CUSTOMER SERVICE		921,552		973,034		51,482
9	SALES		191,307		200,471		9,164
10	ADMIN. & GENERAL		9,637,520		10,116,212		478,692
11	TOTAL WAGE INCREASE		35,158,692		37,290,467		2,131,775
12							
13	PAYROLL TAXES		2,956,629		3,093,010		136,381
14	TOTAL WAGES & TAXES	\$	38,115,321	\$	40,383,477	\$	2,268,156
15							
16	INCREASE (DECREASE) OPERATING EXPENSE					\$	2,268,156
17	INCREASE (DECREASE) FIT @ 35%						(793,855)
18	INCREASE (DECREASE) NOI					\$	(1,474,301)

PUGET SOUND ENERGY-GAS INVESTMENT PLAN

FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2007 GENERAL RATE INCREASE

NO.	DESCRIPTION			AMOUNT
1 2 3 4	MANAGEMENT (INC. EXECUTIVES) INVESTMENT PLAN APPLICABLE TO MANAGEMENT RATE YEAR MANAGEMENT WAGE INCREASE TOTAL COMPANY CONTRIBUTION FOR MANAGEMENT	4.79%	2,054,720 98,421	2,153,141
5 6 7 8	IBEW INVESTMENT PLAN APPLICABLE TO IBEW RATE YEAR IBEW WAGE INCREASE	– 7.97%	541,567 43,163	
9 10 11	TOTAL COMPANY CONTRIBUTION FOR IBEW UA	_	_	584,730
12 13 14	INVESTMENT PLAN APPLICABLE TO UA RATE YEAR UA WAGE INCREASE TOTAL COMPANY CONTRIBUTION FOR UA	6.61%	430,779 28,474	459,253
15 16	TOTAL			
17 18	TOTAL PROFORMA COSTS (LN 4 + LN 9 + 14) PRO FORMA COSTS APPLICABLE TO OPERATIONS	55.72%		3,197,124 1,781,438
19 20	CHARGED TO EXPENSE FOR YEAR ENDED 9/30/2007 INCREASE (DECREASE) EXPENSE			1,686,681 94,757
21 22 23	INCREASE (DECREASE) FIT @ INCREASE (DECREASE) NOI	35%		(33,165)

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

NO.	DESCRIPTION	AMOUNT
		_
1	BENEFIT CONTRIBUTION:	
2	SALARIED EMPLOYEES	\$ 4,981,504
3	UNION EMPLOYEES	4,676,395
4	PRO FORMA INSURANCE COSTS	9,657,899
5		
6	APPLICABLE TO OPERATIONS @ 55.72%	5,381,381
7	CHARGED TO EXPENSE 09/30/07	4,493,040
8	INCREASE(DECREASE) EXPENSE	888,342
9		
10	INCREASE(DECREASE) FIT @ 35%	(310,920)
11		
12	INCREASE(DECREASE) NOI	\$ (577,422)

PUGET SOUND ENERGY-GAS INCENTIVE PAY

FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2007 GENERAL RATE INCREASE

LINE			PROFORMA					
NO.	DESCRIPTION	1	ACTUAL		RESTATED		ADJUSTMENT	
1	INCENTIVE/MERIT PAY							
2	PRODUCTION MANUF. GAS	\$	6,038	\$	7,350	\$	1,312	
3	OTHER GAS SUPPLY		32,897		39,533		6,636	
4	STORAGE, LNG T&G		32,680		39,210		6,530	
5	TRANSMISSION		16,907		20,469		3,562	
6	DISTRIBUTION		1,168,107		1,421,533		253,426	
7	CUSTOMER ACCTS		420,197		513,689		93,492	
8	CUSTOMER SERVICE		63,306		76,400		13,094	
9	SALES		13,139		15,754		2,615	
10	ADMIN. & GENERAL		662,069		794,400		132,331	
11	TOTAL INCENTIVE PAY	\$	2,415,340	\$	2,928,338	\$	512,998	
12								
13	PAYROLL TAXES ASSOC WITH MERIT PAY		174,871		212,012		37,141	
14	INCREASE(DECREASE) EXPENSE		2,590,211		3,140,350		550,139	
15								
16	INCREASE (DECREASE) OPERATING EXPENSE						550,139	
17								
18	INCREASE(DECREASE) FIT @				35%		(192,549)	
19	INCREASE(DECREASE) NOI					\$	(357,590)	