

PUGET SOUND ENERGY-ELECTRIC
STATEMENT OF OPERATING INCOME AND ADJUSTMENTS
FOR THE TWELVE MONTHS ENDED JUNE 30, 2001
RESTATING AND PRO FORMA ADJUSTMENTS

LINE NO.	ACTUAL RESULTS OF OPERATIONS WITH CONSERVATION TRUST	REVENUE 2.01	POWER COSTS 2.02	SALES FOR RESALE - SEC 2.03	FEDERAL INCOME TAX 2.04	TAX BENEFIT OF PRO FORMA INTEREST 2.05	D&O INSURANCE 2.06
1	OPERATING REVENUES						
2	SALES TO CUSTOMERS	\$ 1,542,884,694	\$ (275,736,160)	\$ -	\$ -	\$ -	\$ -
3	SALES FROM RESALE-FIRM	28,720,247	(27,287,611)				
4	SALES TO OTHER UTILITIES	1,766,314,721		(1,728,789,528)			
5	OTHER OPERATING REVENUES	77,318,604	(1,826,538)	3,140,103			
6	TOTAL OPERATING REVENUES	\$ 3,415,238,266	\$ (304,850,309)	\$ (23,358,472)	\$ (1,725,649,424)	\$ -	\$ -
7							
8	OPERATING REVENUE DEDUCTIONS:						
9							
10	POWER COSTS:						
11	FUEL	\$ 297,843,394	\$ -	\$ (204,158,884)	\$ -	\$ -	\$ -
12	PURCHASED AND INTERCHANGED	2,226,570,459		(1,692,042,387)			
13	WHEELING	31,116,222		10,319,138			
14	RESIDENTIAL EXCHANGE	(46,773,115)		46,773,115			
15	TOTAL PRODUCTION EXPENSES	\$ 2,508,756,960	\$ -	\$ (1,839,109,018)	\$ -	\$ -	\$ -
16							
17	OTHER POWER SUPPLY EXPENSES	\$ 46,736,543	\$ -	\$ 4,861,042	\$ -	\$ -	\$ -
18	TRANSMISSION EXPENSE	7,364,016		(10,011)			
19	DISTRIBUTION EXPENSE	49,482,887					
20	CUSTOMER ACCTS EXPENSES	28,060,379	(1,251,959)				
21	CUSTOMER SERVICE EXPENSES	9,756,166					
22	CONSERVATION AMORTIZATION	36,043,842					
23	ADMIN & GENERAL EXPENSE	47,944,836	(609,701)				(10,932)
24	DEPRECIATION/AMORTIZATION	142,677,090					
25	AMORTIZ OF PROPERTY GAIN/LOSS	3,550,251					
26	OTHER OPERATING EXPENSES	(24,385,564)					
27	TAXES OTHER THAN F.I.T.	144,805,967	(59,327,086)	121,117			
28	FEDERAL INCOME TAXES	102,074,308	(85,281,547)	633,814,831	(604,019,689)	17,057,913	10,049,835
29	DEFERRED INCOME TAXES	12,765,061			(17,942,661)		3,826
30	TOTAL OPERATING REV. DEDUCT.	\$ 3,115,632,740	\$ (146,470,293)	\$ (1,200,443,157)	\$ (603,898,572)	\$ (884,748)	\$ 10,049,835
31							\$ (7,106)
32	NET OPERATING INCOME	\$ 299,605,526	\$ (158,380,016)	\$ 1,177,084,685	\$ (1,121,750,852)	\$ 884,748	\$ (10,049,835)
33							\$ 7,106
34	RATE BASE	\$ 2,717,133,188					
35							
36	RATE OF RETURN	11.03%					
37							
38	RATE BASE:						
39	UTILITY PLANT IN SERVICE	\$ 2,583,286,035	\$ -	\$ -	\$ -	\$ -	\$ -
40	DEFERRED DEBITS	343,771,996					
41	DEFERRED TAXES	(277,429,515)					
42	CONSERVATION TRUST	54,198,707					
43	ALLOWANCE FOR WORKING CAPITAL	47,176,662					
44	OTHER	(33,870,697)					
45	TOTAL RATE BASE	\$ 2,717,133,188	\$ -	\$ -	\$ -	\$ -	\$ -

PUGET SOUND ENERGY-ELECTRIC
STATEMENT OF OPERATING INCOME AND ADJUSTMENTS
FOR THE TWELVE MONTHS ENDED JUNE 30, 2001
RESTATING AND PRO FORMA ADJUSTMENTS

LINE NO.	EXCISE TAX & FILING FEE 2.14	MONTANA ENERGY TAX 2.15	SFAS 133 2.16	PROPERTY SALES 2.17	WAGE INCREASE 2.18	EMPLOYEE INSURANCE 2.19	INVESTMENT PLAN 2.20	PRODUCTION ADJUSTMENT 2.21
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								(100,156)
13 WHEELING								
14 RESIDENTIAL EXCHANGE								
15 TOTAL PRODUCTION EXPENSES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	(100,156)
16								
17 OTHER POWER SUPPLY EXPENSES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	(0)
18 TRANSMISSION EXPENSE								
19 DISTRIBUTION EXPENSE								
20 CUSTOMER ACCTS EXPENSES								
21 CUSTOMER SERVICE EXPENSES								
22 CONSERVATION AMORTIZATION								
23 ADMIN & GENERAL EXPENSE	(1,469)					(0)	(0)	(51,418)
24 DEPRECIATION/AMORTIZATION				(72,316)				(1,060,052)
25 AMORTIZ OF PROPERTY GAIN/LOSS				(4,039,150)				
26 OTHER OPERATING EXPENSES			23,534,336					
27 TAXES OTHER THAN F.I.T.	574,577	189,306						(324,581)
28 FEDERAL INCOME TAXES	(200,588)	(66,257)		1,439,013				429,678
29 DEFERRED INCOME TAXES			(8,237,018)					
30 TOTAL OPERATING REV. DEDUCT.	\$ 372,520	\$ 123,049	\$ 15,297,318	\$ (2,672,453)	\$ -	\$ (0)	\$ (0)	\$ (1,106,529)
31								
32 NET OPERATING INCOME	\$ (372,520)	\$ (123,049)	\$ (15,297,318)	\$ 2,672,453	\$ -	\$ 0	\$ 0	\$ 1,106,529
33								
34 RATE BASE				\$ (3,502,158)				\$ (22,414,342)
35								
36 RATE OF RETURN								
37								
38 RATE BASE:								
39 UTILITY PLANT IN SERVICE	\$ -	\$ -	\$ -	(3,502,158)	\$ -	\$ -	\$ -	(4,483,800)
40 DEFERRED DEBITS								
41 DEFERRED TAXES								(17,930,542)
42 CONSERVATION TRUST								
43 ALLOWANCE FOR WORKING CAPITAL								
44 OTHER								
45 TOTAL RATE BASE	\$ -	\$ -	\$ -	(3,502,158)	\$ -	\$ -	\$ -	(22,414,342)

PUGET SOUND ENERGY-ELECTRIC
STATEMENT OF OPERATING INCOME AND ADJUSTMENTS
FOR THE TWELVE MONTHS ENDED JUNE 30, 2001
RESTATING AND PRO FORMA ADJUSTMENTS

LINE NO.	MONTANA CORP LICENSE TAX 2.22	STORM DAMAGE 2.23	RATE CASE EXPENSES 2.24	POSTAGE 2.25	PROPERTY & LIABILITY INS 2.26	PENSION PLAN 2.27	TOTAL ADJUSTMENTS	ADJUSTED RESULTS OF OPERATIONS
1								
2	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	(275,736,160)	\$ 1,267,148,534
3							(27,287,611)	1,432,636
4							(1,728,789,528)	37,525,193
5							(22,044,907)	55,273,698
6	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	(2,053,858,205)	\$ 1,361,380,061
7								
8								
9								
10								
11	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	(204,158,884)	\$ 93,684,511
12							(1,692,142,543)	534,427,916
13							10,319,138	41,435,360
14							46,773,115	(0)
15	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	(1,839,209,174)	\$ 669,547,786
16								
17	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	4,861,042	\$ 51,597,584
18			213,431				203,420	7,567,435
19		3,441,963					3,857,588	53,340,474
20				483,657			(225,760)	27,834,619
21							(6,382,074)	3,374,092
22							(24,091,922)	11,951,920
23			767,264	13,398	1,612,628	6,814,830	5,244,875	53,189,711
24							(487,991)	142,189,100
25							(4,237,950)	(687,699)
26							23,534,336	(851,228)
27	643,631						(54,409,196)	90,396,771
28	(225,271)	(1,279,388)	(268,542)	(173,969)	(564,420)	(2,385,191)	(30,641,305)	71,433,002
29							(26,179,679)	(13,414,617)
30	\$ 418,360	\$ 2,376,006	\$ 498,722	\$ 323,085	\$ 1,048,208	\$ 4,429,640	\$ (1,948,163,790)	\$ 1,167,468,950
31								
32	\$ (418,360)	\$ (2,376,006)	\$ (498,722)	\$ (323,085)	\$ (1,048,208)	\$ (4,429,640)	\$ (105,694,415)	\$ 193,911,110
33								
34							\$ (85,630,322)	\$ 2,631,502,866
35								
36								7.37%
37								
38								
39	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	(25,165,882)	\$ 2,558,120,154
40							-	343,771,996
41							(17,930,542)	(295,360,057)
42							(42,533,898)	11,664,809
43							-	47,176,662
44							-	(33,870,697)
45	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (85,630,322)	\$ 2,631,502,866

PUGET SOUND ENERGY-ELECTRIC
 RESULTS OF OPERATIONS
 FOR THE TWELVE MONTHS ENDED JUNE 30, 2001
 GENERAL RATE INCREASE

LINE NO.	ACTUAL RESULTS OF OPERATIONS	CONSERVATION TRUST	ACTUAL RESULTS OF OPERATION W/ CONSERVATION TRUST	change TOTAL ADJUSTMENTS	change ADJUSTED RESULTS OF OPERATIONS	REVENUE REQUIREMENT DEFICIENCY	AFTER RATE INCREASE
1	<u>OPERATING REVENUES:</u>						
2	\$ 1,508,050,431	\$ 34,834,263	\$ 1,542,884,694	\$ (275,736,160)	\$ 1,267,148,534	\$ 58,295,115	\$ 1,325,443,649
3	28,720,247		28,720,247	(27,287,611)	1,432,636	537,717	1,970,353
4	1,766,314,721		1,766,314,721	(1,728,789,528)	37,525,193		37,525,193
5	77,318,604		77,318,604	(22,044,907)	55,273,698		55,273,698
6	<u>\$ 3,380,404,003</u>	<u>\$ 34,834,263</u>	<u>\$ 3,415,238,266</u>	<u>\$ (2,053,858,205)</u>	<u>\$ 1,361,380,061</u>	<u>\$ 58,832,832</u>	<u>\$ 1,420,212,893</u>
7							
8	<u>OPERATING REVENUE DEDUCTIONS:</u>						
9							
10	<u>POWER COSTS:</u>						
11	\$ 297,843,394	\$ -	\$ 297,843,394	\$ (204,158,884)	\$ 93,684,511	\$ -	\$ 93,684,511
12	2,226,570,459		2,226,570,459	(1,692,142,543)	534,427,916		534,427,916
13	31,116,222		31,116,222	10,319,138	41,435,360		41,435,360
14	(46,773,115)		(46,773,115)	46,773,115	(0)		(0)
15	<u>\$ 2,508,756,960</u>	<u>\$ -</u>	<u>\$ 2,508,756,960</u>	<u>\$ (1,839,209,174)</u>	<u>\$ 669,547,786</u>	<u>\$ -</u>	<u>\$ 669,547,786</u>
16							
17	\$ 46,736,543	\$ -	\$ 46,736,543	\$ 4,861,042	\$ 51,597,584	\$ -	\$ 51,597,584
18	7,364,016		7,364,016	203,420	7,567,435		7,567,435
19	49,482,887		49,482,887	3,857,588	53,340,474		53,340,474
20	28,060,379		28,060,379	(225,760)	27,834,619		27,834,619
21	9,756,166		9,756,166	(6,382,074)	3,374,092		3,374,092
22	4,964,700	31,079,142	36,043,842	(24,091,922)	11,951,920		11,951,920
23	47,944,836		47,944,836	5,244,875	53,189,711	359,280	53,548,991
24	142,677,090		142,677,090	(487,991)	142,189,100		142,189,100
25	3,550,251		3,550,251	(4,237,950)	(687,699)		(687,699)
26	(24,385,564)		(24,385,564)	23,534,336	(851,228)		(851,228)
27	144,805,967		144,805,967	(54,409,196)	90,396,771	2,269,235	92,666,006
28	102,074,308		102,074,308	(30,641,305)	71,433,002	19,671,510	91,104,513
29	12,765,061		12,765,061	(26,179,679)	(13,414,617)		(13,414,617)
30	<u>\$ 3,084,553,598</u>	<u>\$ 31,079,142</u>	<u>\$ 3,115,632,740</u>	<u>\$ (1,948,163,790)</u>	<u>\$ 1,167,468,950</u>	<u>\$ 22,300,026</u>	<u>\$ 1,189,768,976</u>
31							
32	\$ 295,850,405	\$ 3,755,121	\$ 299,605,526	\$ (105,694,415)	\$ 193,911,110	\$ 36,532,806	\$ 230,443,916
33							
34	\$ 2,717,133,188	\$ -	\$ 2,717,133,188	\$ (85,630,322)	\$ 2,631,502,866	\$ -	\$ 2,631,502,866
35							
36	10.89%		11.03%		7.37%		8.76%
37							
38	<u>RATE BASE:</u>						
39			\$ 2,583,286,035	\$ (25,165,882)	\$ 2,558,120,154		
40			343,771,996	-	343,771,996		
41			(277,429,515)	(17,930,542)	(295,360,057)		
42			54,198,707	(42,533,898)	11,664,809		
43			47,176,662	-	47,176,662		
44			(33,870,697)	-	(33,870,697)		
45	<u>\$ 2,717,133,188</u>		<u>\$ 2,717,133,188</u>	<u>\$ (85,630,322)</u>	<u>\$ 2,631,502,866</u>		