

**PUGET SOUND ENERGY, INC.**

**Utility Capital Structure  
Proposed Cost of Capital and Rate of Return**

	(A)	(B)	(C)	(D)	(E)
				<b>Cost</b>	<b>Regulated</b>
	<u>Description</u>	<u>Amount (i)</u>	<u>Ratio</u>	<u>Rates</u>	<u>Cost of</u>
					<u>Capital</u>
					<u>Calculation</u>
7	<b>Short Term Debt</b>	\$XXXXXX	3.11%	4.71%	0.15%
9	<b>Long Term Debt</b>	\$XXXXXX	45.54%	6.88%	3.14%
11	<b>Trust Preferred</b>	\$XXXXXX	6.32%	8.60%	0.54%
13	<b>Preferred Stock</b>	\$XXXXXX	0.04%	8.51%	0.00%
15	<b>Common Stock</b>	<u>\$XXXXXX</u>	<u>45.00%</u>	11.75%	<u>5.29%</u>
17	<b>Total</b>	<u>\$XXXXXX</u>	<u>100.00%</u>		<u>9.12%</u>

Redacted Version

**PUGET SOUND ENERGY, INC**  
**Utility Capital Structure Calculation**  
**February 28, 2005 Through February 28, 2006**  
**Average of Month-End Balances**

<b>Redacted Version</b>
-------------------------

1	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)	(M)	(N)	(O)
2															
3															<u>Ave. of</u>
4	<u>(\$ thousands)</u>	<u>Feb-05</u>	<u>Mar-05</u>	<u>Apr-05</u>	<u>May-05</u>	<u>Jun-05</u>	<u>Jul-05</u>	<u>Aug-05</u>	<u>Sep-05</u>	<u>Oct-05</u>	<u>Nov-05</u>	<u>Dec-05</u>	<u>Jan-06</u>	<u>Feb-06</u>	<u>Balances</u>
5	Short-term debt	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX
6	Long-term debt	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX
7	Total Debt	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX
8	Trust Preferred	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX
9	Preferred	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX
10	Common	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX
11	Total Capital	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX
12															
13	Short-term debt	XX%	XX%	XX%	XX%	XX%	XX%	XX%	XX%	XX%	XX%	XX%	XX%	XX%	XX%
14	Long-term debt	XX%	XX%	XX%	XX%	XX%	XX%	XX%	XX%	XX%	XX%	XX%	XX%	XX%	XX%
15	Total Debt	XX%	XX%	XX%	XX%	XX%	XX%	XX%	XX%	XX%	XX%	XX%	XX%	XX%	XX%
16	Trust Preferred	XX%	XX%	XX%	XX%	XX%	XX%	XX%	XX%	XX%	XX%	XX%	XX%	XX%	XX%
17	Preferred	XX%	XX%	XX%	XX%	XX%	XX%	XX%	XX%	XX%	XX%	XX%	XX%	XX%	XX%
18	Common	XX%	XX%	XX%	XX%	XX%	XX%	XX%	XX%	XX%	XX%	XX%	XX%	XX%	XX%
19	Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
20															
21	Commercial Paper	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX
22	AR Securitization	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX
23	Bank Credit Facility	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX
24	Money Market Facility	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX
25	Total Short-term Debt	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX
26															
27	PSE Common Equity	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX
28	Total Subsidiary R.E.	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX
29	Regulated Common Equity	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX
30	(Excl. Sub. R.E.)														

Puget Sound Energy, Inc.  
 Cost of Short-Term Debt  
 For The 12 Months Ended February 28, 2006

<b>Redacted Version</b>
-------------------------

	(A)	(B)	(C)	(D)	(E)	(F)
1	<u>Description</u>		<u>Weighted Amt</u>	<u>Interest</u>	<u>Annual</u>	<u>Cost</u>
2			<u>Outstanding (i)</u>	<u>Rate</u>	<u>Charge</u>	<u>Rate (ii)</u>
3						
4						
5						
6	Commercial Paper		\$XXXXX	3.31%	\$XXXXX	
7						
8	AR Securitization Facility		\$XXXXX	3.12%	\$XXXXX	
9						
10	Bank Credit Facility		\$XXXXX	0.00%	\$XXXXX	
11						
12	Money Market		\$XXXXX	0.00%	\$XXXXX	
13						
14	Commitment Fees				\$1,309,046	
15						
16	12 Month Short Term Debt Issue Costs Amortization				\$783,492	
17						
18	<b>Total Short-Term Debt/Cost</b>		<b>\$XXXXX</b>		<b>\$XXXXX</b>	<b>4.71%</b>
19						
20						

21 (i) Average Balance Outstanding for 12 Months Ended.

22 (ii) Cost Rate is calculated by dividing the Annual Charge (E) by the Weighted Amt Outstanding (C).

**Puget Sound Energy, Inc.**  
**Short Term Debt Rate**  
**For The 12 Months Ended February 28, 2006**

	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)	(M)	(N)	(O)	
		Feb-05	Mar-05	Apr-05	May-05	Jun-05	Jul-05	Aug-05	Sep-05	Oct-05	Nov-05	Dec-05	Jan-06	Feb-06	Total For Rate Year	
Est. AR Purchase Limit ( in 000's)	\$XXXXXX	\$XXXXXX	\$XXXXXX	\$XXXXXX	\$XXXXXX	\$XXXXXX	\$XXXXXX	\$XXXXXX	\$XXXXXX	\$XXXXXX	\$XXXXXX	\$XXXXXX	\$XXXXXX	\$XXXXXX	\$XXXXXX	
STD Month End Balance (in 000's)	\$XXXXXX	\$XXXXXX	\$XXXXXX	\$XXXXXX	\$XXXXXX	\$XXXXXX	\$XXXXXX	\$XXXXXX	\$XXXXXX	\$XXXXXX	\$XXXXXX	\$XXXXXX	\$XXXXXX	\$XXXXXX	\$XXXXXX	
Short Term Debt Funding (in 000's)																
Commercial Paper	\$XXXXXX	\$XXXXXX	\$XXXXXX	\$XXXXXX	\$XXXXXX	\$XXXXXX	\$XXXXXX	\$XXXXXX	\$XXXXXX	\$XXXXXX	\$XXXXXX	\$XXXXXX	\$XXXXXX	\$XXXXXX	\$XXXXXX	
AR Securitization	\$XXXXXX	\$XXXXXX	\$XXXXXX	\$XXXXXX	\$XXXXXX	\$XXXXXX	\$XXXXXX	\$XXXXXX	\$XXXXXX	\$XXXXXX	\$XXXXXX	\$XXXXXX	\$XXXXXX	\$XXXXXX	\$XXXXXX	
AR Availability After Proj Usage	\$XXXXXX	\$XXXXXX	\$XXXXXX	\$XXXXXX	\$XXXXXX	\$XXXXXX	\$XXXXXX	\$XXXXXX	\$XXXXXX	\$XXXXXX	\$XXXXXX	\$XXXXXX	\$XXXXXX	\$XXXXXX	\$XXXXXX	
Number of Days in Month			31	30	31	30	31	31	30	31	30	31	31	28	365	
CP Interest Expense		\$XXXXXX	\$XXXXXX	\$XXXXXX	\$XXXXXX	\$XXXXXX	\$XXXXXX	\$XXXXXX	\$XXXXXX	\$XXXXXX	\$XXXXXX	\$XXXXXX	\$XXXXXX	\$XXXXXX	\$XXXXXX	
AR Interest Expense		\$XXXXXX	\$XXXXXX	\$XXXXXX	\$XXXXXX	\$XXXXXX	\$XXXXXX	\$XXXXXX	\$XXXXXX	\$XXXXXX	\$XXXXXX	\$XXXXXX	\$XXXXXX	\$XXXXXX	\$XXXXXX	
Total STD Interest Expense		\$XXXXXX	\$XXXXXX	\$XXXXXX	\$XXXXXX	\$XXXXXX	\$XXXXXX	\$XXXXXX	\$XXXXXX	\$XXXXXX	\$XXXXXX	\$XXXXXX	\$XXXXXX	\$XXXXXX	\$XXXXXX	
Ave Monthly Borrowing Rate			2.57%	2.86%	2.84%	2.85%	3.11%	3.12%	3.11%	3.33%	3.31%	3.30%	3.55%	3.57%		
			Average Borrowing Rate												3.20%	
CP Borrowing Rate		2.70%	2.70%	2.99%	2.99%	2.99%	3.23%	3.23%	3.23%	3.47%	3.47%	3.47%	3.71%	3.71%		
AR Securitization Rate		2.47%	2.47%	2.76%	2.76%	2.76%	3.00%	3.00%	3.00%	3.24%	3.24%	3.24%	3.48%	3.48%		
Projected Short Term Rates		3 Month														
		Libor	CP Spread	CP	AR Spread	AR										
01-Jan-05		2.20%	0.50%	2.70%	0.27%	2.47%										
01-Apr-05		2.49%	0.50%	2.99%	0.27%	2.76%										
01-Jul-05		2.73%	0.50%	3.23%	0.27%	3.00%										
01-Oct-05		2.97%	0.50%	3.47%	0.27%	3.24%										
01-Jan-06		3.21%	0.50%	3.71%	0.27%	3.48%										

**Redacted Version**

Puget Sound Energy, Inc.  
Short Term Debt Commitment Fee, page 1  
For The 12 Months Ended February 28, 2006

	(A)	(B)	(C)	(D)	(E)	(F)	(G)
1							
2	<b><u>Bank Credit Agreement</u></b>	<u>Beginning Date</u>	<u>Ending Date</u>	<u>Days</u>	<u>Unused</u>	<u>Fee %</u>	<u>Fee \$ (i)</u>
3		3/1/05	3/31/05	31	\$XXXXX	0.250%	\$XXXXX
4	Facility Size:	4/1/05	4/30/05	30	\$XXXXX	0.250%	\$XXXXX
5	\$300,000,000	5/1/05	5/31/05	31	\$XXXXX	0.250%	\$XXXXX
6		6/1/05	6/30/05	30	\$XXXXX	0.250%	\$XXXXX
7		7/1/05	7/31/05	31	\$XXXXX	0.250%	\$XXXXX
8		8/1/05	8/31/05	31	\$XXXXX	0.250%	\$XXXXX
9		9/1/05	9/30/05	30	\$XXXXX	0.250%	\$XXXXX
10		10/1/05	10/31/05	31	\$XXXXX	0.250%	\$XXXXX
11		11/1/05	11/30/05	30	\$XXXXX	0.250%	\$XXXXX
12		12/1/05	12/31/05	31	\$XXXXX	0.250%	\$XXXXX
13		1/1/06	1/31/06	31	\$XXXXX	0.250%	\$XXXXX
14		2/1/06	2/28/06	28	\$XXXXX	0.250%	\$XXXXX
15				365			E <sub>1</sub> \$XXXXX
16	<b><u>AR Securitization</u></b>	<u>Beginning Date</u>	<u>Ending Date</u>	<u>Days</u>	<u>Total Commitment (ii)</u>	<u>Fee %</u>	<u>Fee \$ (i)</u>
17		3/1/05	3/31/05	31	150,000,000	0.35%	46,112.50
18	Facility Size:	4/1/05	4/30/05	30	150,000,000	0.35%	44,625.00
19	\$150,000,000	5/1/05	5/31/05	31	150,000,000	0.35%	46,112.50
20		6/1/05	6/30/05	30	150,000,000	0.35%	44,625.00
21		7/1/05	7/31/05	31	150,000,000	0.35%	46,112.50
22		8/1/05	8/31/05	31	150,000,000	0.35%	46,112.50
23		9/1/05	9/30/05	30	150,000,000	0.35%	44,625.00
24		10/1/05	10/31/05	31	150,000,000	0.35%	46,112.50
25		11/1/05	11/30/05	30	150,000,000	0.35%	44,625.00
26		12/1/05	12/31/05	31	150,000,000	0.35%	46,112.50
27		1/1/06	1/31/06	31	150,000,000	0.35%	46,112.50
28		2/1/06	2/28/06	28	150,000,000	0.35%	41,650.00
29				365			\$542,937.50

Redacted Version

Puget Sound Energy, Inc.  
Short Term Debt Commitment Fee, page 2  
For The 12 Months Ended February 28, 2006

	(A)	(B)	(C)	(D)	(E)	(F)	(G)
	<u>Bank Credit Agreement</u>	<u>Beginning Date</u>	<u>Ending Date</u>	<u>Days</u>	<u>Unused</u>	<u>Fee %</u>	<u>Fee \$ (i)</u>
3	<b>Letter of Credit Fees:</b>	<u>Beginning Date</u>	<u>Ending Date</u>	<u>Days</u>	<u>Outstanding</u>	<u>Fee %</u>	<u>Fee \$ (i)</u>
4		3/1/05	3/31/05	31	\$499,000	1.3750%	590.83
5		4/1/05	4/30/05	30	\$499,000	1.3750%	571.77
6		5/1/05	5/31/05	31	\$499,000	1.3750%	590.83
7		6/1/05	6/30/05	30	\$499,000	1.3750%	571.77
8		7/1/05	7/31/05	31	\$499,000	1.3750%	590.83
9		8/1/05	8/31/05	31	\$499,000	1.3750%	590.83
10		9/1/05	9/30/05	30	\$499,000	1.3750%	571.77
11		10/1/05	10/31/05	31	\$499,000	1.3750%	590.83
12		11/1/05	11/30/05	30	\$499,000	1.3750%	571.77
13		12/1/05	12/31/05	31	\$499,000	1.3750%	590.83
14		1/1/06	1/31/06	31	\$499,000	1.3750%	590.83
15		2/1/06	2/28/06	28	\$499,000	1.3750%	533.65
16				365	\$499,000	E <sub>1</sub>	\$6,956.55
17	(i) Commitment fees are calculated for actual days elapsed on the basis of a 360 day year						
18	(ii) Total commitment of \$150MM is increased to 2% to \$153MM for purposes of calculating the facility fee, which is paid on total availability regardless of usage.						
19	<b>Total Annual Commitment Fees for Bank Facilities</b>						<b><u>\$1,309,046</u></b>

**Puget Sound Energy, Inc.**  
**12 Month Amortization of Short Term Debt Issue Costs**  
**For The 12 Months Ended February 28, 2006**

1	(A)	(B)
2		<u>Debt Expense to Be Amortized</u>
3	New 3 Year Bank Revolving Credit	
4	<u>June 30, 2004 to May 31, 2007</u>	
5	Upfront Fees to Credit Banks	\$XXXXXX
6	Legal Fees	\$XXXXXX
7	Arrangement Fee	\$XXXXXX
8	Printing	\$XXXXXX
9	Agent Fee	\$XXXXXX
10		\$XXXXXX
11	No of Years for Credit Facility	3
12	Amortization in Rate Year	\$XXXXXX
13		
14		
15	<u>AR Securitization - Debt Issuance Expense</u>	
16	Monthly Amortization at 1/31/2004	\$22,822
17	Additional Monthly Amortization for 2004 Annual AR Audit Expense	1,192
18	Total Estimated Monthly Amortization	24,013
19	No of Months in Year	12
20	Annual Amortization	288,159
21		
22		
23	Total Annual Amortization of Short Term Debt Expense	783,492

Redacted Version

**Puget Sound Energy  
Cost of Debt For The 12 Months Ended February 28, 2004**

1	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)	(M)	(N)	(O)	(P)	(Q)	(R)	(S)	(T)	(U)	(V)	
2						Net																	
3						Proceeds																Ave Amt	
4		Principal at	Interest	Issue	Maturity	Per \$100	Cost	Annual	Month-End Balances Rollforward (\$ in millions)														Outstandi
5	Bond	2/28/2005	Rate	Date	Date	(i)	Rate	Charge	F-05	M-05	A-05	M-05	J-05	J-05	A-05	S-05	O-05	N-05	D-05	J-06	F-06	ng in	
																							000's)
6	MTN-C	\$3,000,000	6.920%	Sep-95	Sep-05	98.9667	7.070%	114,888	3.0	3.0	3.0	3.0	3.0	3.0	3.0	.0	.0	.0	.0	.0	.0	.0	\$1,625
7	MTN-C	\$8,000,000	6.920%	Sep-95	Sep-05	98.9667	7.070%	306,367	8.0	8.0	8.0	8.0	8.0	8.0	8.0	.0	.0	.0	.0	.0	.0	.0	\$4,333
8	MTN-C	\$20,000,000	6.930%	Sep-95	Sep-05	98.9667	7.080%	767,000	20.0	20.0	20.0	20.0	20.0	20.0	20.0	.0	.0	.0	.0	.0	.0	.0	\$10,833
9	MTN-A	\$46,000,000	8.060%	Jun-92	Jun-06	99.2338	8.150%	3,749,000	46.0	46.0	46.0	46.0	46.0	46.0	46.0	46.0	46.0	46.0	46.0	46.0	46.0	46.0	\$46,000
10	MTN-A	\$25,000,000	8.140%	Nov-91	Nov-06	99.1721	8.240%	2,060,000	25.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0	\$25,000
11	MTN-C	\$10,000,000	6.580%	Dec-95	Dec-06	99.3262	6.670%	667,000	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	\$10,000
12	MTN-A	#####	7.750%	Jan-92	Feb-07	99.1612	7.850%	7,850,000	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	\$100,000
13	MTN-C	\$20,000,000	7.020%	Sep-95	Sep-07	98.9674	7.150%	1,430,000	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0	\$20,000
14	MTN-C	\$5,000,000	7.040%	Sep-95	Sep-07	98.9674	7.170%	358,500	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	\$5,000
15	SN	#####	3.363%	Jun-03	Jun-08	99.1883	3.540%	5,310,000	150.0	150.0	150.0	150.0	150.0	150.0	150.0	150.0	150.0	150.0	150.0	150.0	150.0	150.0	\$150,000
16	MTN-B	\$3,500,000	6.530%	Aug-93	Aug-08	98.9062	6.650%	232,750	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	\$3,500
17	MTN-B	\$1,000,000	6.510%	Aug-93	Aug-08	98.9060	6.630%	66,300	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	\$1,000
18	MTN-B	\$25,000,000	7.610%	Sep-00	Sep-08	99.2252	7.740%	1,935,000	25.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0	\$25,000
19	MTN-B	#####	6.460%	Mar-99	Mar-09	99.2645	6.560%	9,840,000	150.0	150.0	150.0	150.0	150.0	150.0	150.0	150.0	150.0	150.0	150.0	150.0	150.0	150.0	\$150,000
20	MTN-C	\$3,000,000	6.610%	Dec-95	Dec-09	99.3308	6.680%	200,400	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	\$3,000
21	MTN-C	\$5,000,000	6.620%	Dec-95	Dec-09	99.3308	6.690%	334,500	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	\$5,000
22	MTN-B	#####	7.960%	Feb-00	Feb-10	99.2313	8.070%	18,157,500	225.0	225.0	225.0	225.0	225.0	225.0	225.0	225.0	225.0	225.0	225.0	225.0	225.0	225.0	\$225,000
23	MTN-C	\$7,000,000	7.120%	Sep-95	Sep-10	98.9181	7.240%	506,800	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	\$7,000
24	MTN-C	#####	7.690%	Nov-00	Feb-11	99.2812	7.790%	20,254,000	260.0	260.0	260.0	260.0	260.0	260.0	260.0	260.0	260.0	260.0	260.0	260.0	260.0	260.0	\$260,000
25	MTN-B	\$3,000,000	6.830%	Aug-93	Aug-13	98.8139	6.940%	208,200	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	\$3,000
26	MTN-B	\$10,000,000	6.900%	Sep-93	Oct-13	98.8221	7.010%	701,000	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	\$10,000
27	MTN-C	\$10,000,000	7.350%	Sep-95	Sep-15	98.8439	7.460%	746,000	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	\$10,000
28	MTN-C	\$2,000,000	7.360%	Sep-95	Sep-15	98.8439	7.470%	149,400	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	\$2,000
29	MTN-A	#####	6.740%	Jun-98	Jun-18	98.9851	6.830%	13,660,000	200.0	200.0	200.0	200.0	200.0	200.0	200.0	200.0	200.0	200.0	200.0	200.0	200.0	200.0	\$200,000
30	FMB	\$25,000,000	9.570%	Sep-90	Sep-20	99.3981	9.630%	2,407,500	25.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0	\$25,000
31	MTN-C	\$15,000,000	7.150%	Dec-95	Dec-25	99.2119	7.210%	1,081,500	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0	\$15,000
32	MTN-C	\$2,000,000	7.200%	Dec-95	Dec-25	99.2116	7.260%	145,200	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	\$2,000
33	MTN-A	#####	7.020%	Dec-97	Dec-27	98.9857	7.100%	21,300,000	300.0	300.0	300.0	300.0	300.0	300.0	300.0	300.0	300.0	300.0	300.0	300.0	300.0	300.0	\$300,000
34	MTN-B	#####	7.000%	Mar-99	Mar-29	99.0429	7.080%	7,080,000	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	\$100,000
35	PCB	\$23,400,000	5.100%	Mar-03	Mar-31	95.5490	5.410%	1,265,940	23.4	23.4	23.4	23.4	23.4	23.4	23.4	23.4	23.4	23.4	23.4	23.4	23.4	23.4	\$23,400
36	PCB	#####	5.000%	Mar-03	Mar-31	95.5490	5.310%	7,352,226	138.5	138.5	138.5	138.5	138.5	138.5	138.5	138.5	138.5	138.5	138.5	138.5	138.5	138.5	\$138,460
37	New Issue	#####	6.250%	Apr-04	Apr-34	99.0000	6.324%	12,648,531	200.0	200.0	200.0	200.0	200.0	200.0	200.0	200.0	200.0	200.0	200.0	200.0	200.0	200.0	\$200,000
38	New Issue	#####	6.250%	Sep-05	Sep-15	99.0000	6.387%	2,927,305	.0	.0	.0	.0	.0	.0	.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	\$45,833
39								Annual Charge on Reacquired Debt (ii)															624,762
40	<b>Total LTD</b>	<b>2,195,360,000</b>					<b>6.88%</b>	<b>146,437,568</b>	<b>2095.4</b>	<b>2095.4</b>	<b>2095.4</b>	<b>2095.4</b>	<b>2095.4</b>	<b>2095.4</b>	<b>2095.4</b>	<b>2164.4</b>	<b>2164.4</b>	<b>2164.4</b>	<b>2164.4</b>	<b>2164.4</b>	<b>2164.4</b>	<b>2164.4</b>	<b>\$2,126,985</b>

(i) Net proceeds are face amount less underwriter's fees and issuance expenses.

(ii) See schedule of Reacquired Debt on page 8.

(iii) Cost Rate for each bond is the yield to maturity based on net proceeds.

For total long term debt, the cost rate is the total annual charge including the annual charge on reacquired debt divided by the average outstanding balance for the period.



**Puget Sound Energy, Inc.**  
**Schedule of Annual Charges on Reacquired Debt**  
**For the 12 Months Ended February 28, 2006**

1	(A)	(B)	(C)	(D)	(E)	(F)	(G)
2						(i)	(ii)
3	Issue	Issue Date	Redemption Date	Maturity Date of Original Issue	Maturity Date of Replacement Issue	Monthly Amortization	Annual Amortization
4	10.25% - 1995	29-Dec-87	15-Dec-95	15-Dec-97	10-Nov-16	\$1,528	\$18,336
5	8-7/8% Series 10/1/06	28-Oct-76	22-Jun-92	1-Oct-06	19-Jun-06	\$2,535	\$30,423
6	8.25% Series 4/1/96	9-Apr-86	1-Apr-92	1-Apr-96	1-Feb-07	\$9,098	\$109,179
7	9-5/8% Series 9/15/94	15-Oct-90	7-Feb-94	15-Oct-97	1-Feb-24	\$14,073	\$168,880
8	9.14% Med Term Notes Due 06/15/18	21-Jun-91	15-Jun-98	21-Jun-01	15-Jun-18	\$292	\$3,499
9	7.05% PCB Series 1991A	7-Aug-91	11-Mar-03	1-Aug-21	1-Mar-31	\$3,790	\$45,480
10	7.25% PCB Series 1991B	7-Aug-91	11-Mar-03	1-Aug-21	1-Mar-31	\$2,880	\$34,561
11	6.8% PCB Series 1992	1-Mar-92	11-Mar-03	1-Mar-22	1-Mar-31	\$8,819	\$105,825
12	5.875% PCB Series 1993	29-Apr-93	11-Mar-03	1-Apr-20	1-Mar-31	\$2,691	\$32,298
13	8.4%WING MTN SERIES A DUE 1/13/2022	13-Jan-92	21-Mar-03	12-Jan-22	n/a	\$95	\$1,141
14	8.39%WNG MTN SERIES A DUE 1/13/2022	13-Jan-92	21-Mar-03	13-Jan-22	n/a	\$222	\$2,663
15	8.4% PP MTN SERIES A DUE 5/7/07	7-May-92	26-Mar-03	7-May-07	n/a	\$504	\$6,051
16	8.25% WNG MTN SERIES A DUE 8/12/22	12-Aug-92	29-May-03	12-Aug-22	n/a	\$5,207	\$62,486
17	8.2% PSPL MTN SERIES B DUE 12/21/12	21-Dec-92	29-May-03	21-Dec-12	n/a	\$8,237	\$98,839
18	8.59% PSPL MTN SERIE A DUE 4/9/12	9-Apr-92	29-May-03	9-Apr-12	n/a	\$1,287	\$15,443
19	7.19% WNG Series B due 8/18/2023	18-Aug-93	18-Aug-03	18-Aug-23	n/a	\$888	\$10,656
20	WNG MTN 7.19% Due2023	18-Aug-93	14-Nov-00	18-Aug-23	n/a	(\$10,083)	(\$120,997)
21	<b>Total Amortization on Reacquired Debt</b>					<b>\$52,063</b>	<b>\$624,762</b>

22

23 (i) Amortization is over life of replacement issue(s) if applicable; otherwise over the life of the original issue.

24 (ii) Monthly amortization in 12 month reporting period.

**Puget Sound Energy, Inc.**  
**Preferred Stock - Net Proceeds Schedule**  
**For the 12 Months Ended February 28, 2006**

1	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)	(M)
2													
3	Par	Issue Date	Maturity Date	Dividend Rate	Shares Issued	Shares Outstdg	Issue Amt	Average Outstdg Amt	Net Proceeds Per	Net Proceeds Per \$100	Cost Rate (i)	Annual Cost	
4	<b><u>Trust Preferred</u></b>												
5	8.231% Capital Trust I	6-Jun-97	1-Jun-27	8.23%			\$100,000,000	\$80,250,000	\$98,691,176	98.69	8.35%	6,701,174	
6	8.40% Capital Trust II	24-May-01	30-Jun-41	8.40%			\$200,000,000	\$200,000,000		96.62	8.70%	17,405,518	
7	Total Trust Preferred Stock							Annual Amortization of Gain on Reacquired Shares (ii)				(\$8,116)	
8							\$300,000,000	<u>\$280,250,000</u>			<u>8.60%</u>	<u>\$24,098,575</u>	
9													
10	<b><u>Preferred Stock</u></b>												
11	4.84% Series	\$100	3-Jul-62	Sinking Fund	4.84%	150,000	14,583	\$15,000,000	\$1,458,300	\$14,680,000	97.87	4.95%	72,120
12	4.70% Series	\$100	19-May-64	Sinking Fund	4.70%	150,000	4,311	\$15,000,000	\$431,100	\$14,777,400	98.52	4.77%	20,567
13	Total Preferred Stock							Annual Amortization of Gain on Reacquired Shares (ii)				\$68,024	
14							\$30,000,000	<u>\$1,889,400</u>			<u>8.51%</u>	<u>\$160,711</u>	

16 (i) Cost Rate=Dividend Rate/(Net Proceeds/Issue Amount) except for Trust Preferred Stock which uses the yield to maturity calculation.

17 (ii) See schedule of Reacquired PS on page 10.

**PUGET SOUND ENERGY, INC**  
**Calculation of Amortization of Net Loss**  
**On Recquired Preferred Stock**  
**For the 12 Months Ended February 28, 2006**

1	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
2	<b><u>Gain or Loss on Recquired Preferred Stock</u></b>									(Gain) or Loss on	End of
3										Reacquired PS	Amortization Period
4			Shares		Date	Original Issue	Reacquired	Face Value			
5	<b>Issue</b>	Par	Issued	Issue Date	Reacquired	Amount	Shares	Reaquired	Call Price		
6	7.75% Series (iii)	\$100	750,000	25-Mar-92	15-Aug-03	\$75,000,000	337,500		\$102.07	\$698,625	14-Aug-13
7	8.231% Capital Trust I				21-Feb-03		201,377	19,750,000	\$99.00	(\$197,500)	1-Jun-27
8	Adj. Prfd.	\$25	2,000,000		15-Aug-97	\$50,000,000	1,181,994		\$25.63	\$738,746	15-Aug-07
9	4.70%	\$100	150,000		15-Aug-97	\$15,000,000	51,854		\$89.32	(\$553,801)	15-Aug-07
10	4.84%	\$100	150,000		15-Aug-97	\$15,000,000	33,148		\$91.51	(\$281,427)	15-Aug-07
11	WNG Call Premium				1-Nov-93					\$798,331	1-Nov-04
12	Unamortized WNG Call Premium Balance (ii)									\$96,767	
13											
14	<b><u>Annual Amortization of Net Gain/( Loss) on Recquired Preferred Stock</u></b>										
15					12 month						
16		Net (Gain)	Months	Monthly	Amort.	Prorated Net					
17	<b>Issue</b>	or Loss	Amortized	Amort	Factor	Loss (Gain)					
18	7.75% Series	\$698,625	12		0.10	\$69,863					
19	Adj. Prfd.	\$738,746	12		0.10	\$73,875					
20	4.70%	(\$553,801)	12		0.10	(\$55,380)					
21	4.84%	(\$281,427)	12		0.10	(\$28,143)					
22	WNG Call Premium	\$798,331	0		0.00	\$0					
23						\$60,215					
24	Unamortized WNG Call Premium Balance (i)	96,767	8.07%		0.0807	\$7,809					
25											
26	Total Redeemable and Nonredeemable PS	\$1,497,241				<u>\$68,024</u>					
27											
28	8.231% Capital Trust I	(\$197,500)	12	(676.37)		(\$8,116)					
29	Total Trust Preferreds	(\$197,500)				<u>(\$8,116)</u>					
30											

31 (i) Reflects the yearly charge to amortize the cost associated with the WNG call premium. Premium amortized over 11 years.

32 (ii) Average cost of the prior WNG preferred stock. This balance is multiplied by the average  
33 cost of 8.07% to get a related return on the unamortized balance.

34 (iii) For Cost of Capital calculation, the loss on the 7.75% Preferred Stock will be amortized over 10 years.

**PUGET SOUND ENERGY, INC.**  
**Calculation of Subsidiary Retained Earnings**  
**December 31, 2003 TO February 28, 2006**

	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)	(M)	(N)	(O)	(P)	(Q)	(R)	(S)	(T)	(U)	(V)	(W)	(X)	(Y)	(Z)	(AA)	(AB)	
		Dec-03	Jan-04	Feb-04	Mar-04	Apr-04	May-04	Jun-04	Jul-04	Aug-04	Sep-04	Oct-04	Nov-04	Dec-04	Jan-05	Feb-05	Mar-05	Apr-05	May-05	Jun-05	Jul-05	Aug-05	Sep-05	Oct-05	Nov-05	Dec-05	Jan-06	Feb-06	
3 Subsidiary Income		\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX
4 Subsidiary Income Rounded to 000's		\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX
5																													
6 (\$ in thousands)																													
7 <b>R Earnings in Subsidiaries:</b>																													
8 WECO (i)		\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX
9 Puget Western Inc		\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX
10 Hydro Energy Development		\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX
12 Accumulated Earnings (ii)		\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX
13 <b>Total Subsidiary R.E.</b>		\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX	\$XXXXX

14  
15 (i) WECO is a Non-regulated Adjustment). Changed as of 12/31/01 per Don Gaines to include WECO non-regulatory  
16 common stock and APIC as well as the retained earnings.  
17 (ii) Beginning December 31, 2003.

**Redacted Version**