DOCKET NOS. UE-060266 AND UG-060267 STAFF/COMPANY AGREMENT ON REVENUE REQUIREMENT ADJUSTMENTS

Section 1 - Revenue Requirement Adjustments - agreement on rebuttal changes

The following items describe adjustments presented in the Company's rebuttal case with which Commission Staff agrees:

Wages and Investment Plan – Commission Staff has confirmed the amounts and reasons for the changes made in the Company's rebuttal filing for the Wage Increase and Investment Plan, Adjustments 20.20 and 20.21, Exhibit No. ___(JHS-20) and Adjustments 12.12 and 12.13, Exhibit No. ___(KRK-12). The Company and Commission Staff agree that these adjustments as shown in the Company's prefiled rebuttal are uncontested as presented by the Company.

Wild Horse - The Company and Commission Staff agree that the Company's Wild Horse Wind Plant Adjustment shown on page 20.26, Exhibit No. ___(JHS-20) reflects the deferred taxes associated with this project correctly and that this adjustment is uncontested With this agreement, the Miscellaneous Operating Expense Adjustment becomes uncontested except as to differences caused by different rates of return as applied to ratebase.

Incentive Plan – The Company and Commission Staff agree for purposes of settlement of this issue in this proceeding that the calculations presented by the Company on page 20.27, Exhibit No. __(JHS-20) and page 12.15, Exhibit No. __(KRK-12) are uncontested as presented by the Company.

Revenues and Expenses gas adjustment – Commission Staff has reviewed this adjustment as presented on page 12.01, Exhibit No. ___(KRK-12) and is in agreement with the Company's correction of the error. This adjustment is uncontested as presented by the Company.

Everett Delta Pipeline Expansion – Commission Staff has reviewed this adjustment as presented on page 12.21, Exhibit No. ___(KRK-12) and is in agreement with changes proposed by the Company in its prefiled rebuttal testimony. This adjustment is uncontested With this agreement, the Miscellaneous Operating Expense Adjustment becomes uncontested except as to differences caused by different rates of return as applied to ratebase.

Spiritridge – Upon further review of the Company's rebuttal and review of subsequent data request responses Commission Staff is not proposing an adjustment for Spiritridge and withdraws its adjustment G.22 page 26 Exhibit No. ____ (JMR-4).

Docket Nos. UE-060266 and UG-060267 Agreement on Revenue Requirement Adjustments

<u>Section 2 – Revenue Requirement Adjustments – Compromises between</u> <u>Commission Staff and the Company</u>

The following items describe Company and Commission Staff agreement on formerly contested revenue requirement items, in some cases based on information that has become available since the Commission Staff filed their testimony and exhibits:

Baker Relicensing O&M and Ratebase – The Company received the Final Environmental Impact Statement associated with the Baker Relicensing on Friday, September 8th 2006. With the receipt of this document it is now highly likely that the Company will receive the final license in late 2006 or early 2007. The Company and Commission Staff agree to include the amounts for Baker Relicensing as presented in the Company's Power Cost Adjustment, page 20.03 and as shown on the Miscellaneous Operating Expense Adjustment, page 20.08 of Exhibit No. ____ (JHS-20). With this agreement, the Miscellaneous Operating Expense Adjustment becomes uncontested except as to differences caused by different rates of return as applied to ratebase. This agreement will change pages 8 and 13, Exhibit No. ____ (JMR-2). See Attachment A for updated pages for Exhibit No. ____ (JMR-2) reflecting this agreement as well as additional supporting workpapers necessary to reflect the agreed upon changes.

The costs associated with Baker Relicensing ratebase will be adjusted based on the actual in service date at which time AFUDC will cease and the costs associated with the license will be placed in-service and will be included in the PCA Production Rate Base costs. Production O&M is considered a fixed cost in the PCA Mechanism. Production O&M costs associated with Baker Relicensing will be considered variable until they are set at a fixed amount in the next regulatory filing that changes the PCA power cost baseline rate. The Company will also file an update on the licensing process to the Commission by Thursday, December 1st.

Muckleshoot Settlement Payment – The Company and Commission Staff agree that this payment should be included in revenue requirement with a four year amortization. This agreement will impact the Power Cost Adjustment, page 20.03, Exhibit No. ___(JHS-20) and page 8, Exhibit No. ___(JMR-2). See Attachment A for an updated page 8 for Exhibit No. ___(JMR-2) reflecting this agreement. See Attachment B for an updated page 20.3 for Exhibit No. ___(JHS-20) reflecting this agreement. Both Attachments A and B include additional supporting workpapers necessary to reflect the agreed upon changes.

Ratecase Expenses – For purposes of settlement of this issue in this filing, the Company and Commission Staff agree to a ratecase expense adjustment as shown in Attachment A, adjustment E.16, Exhibit No. __(JMR-2) and adjustment G.09, Exhibit No. __(JMR-4) and Attachment B, page 20.16, Exhibit No. __(JHS-20) and page 12.09, Exhibit No. __(KRK-12). This adjustment is not based on specific disallowance of any type of expense nor is it considered precedent setting for future filings.

Section 3 - Procedures Related to Revenue Requirement

The following two items have no impact on revenue requirement in this proceeding but are an agreement between Commission Staff and the Company as to procedure for future filings associated with these items.

Domestic Manufacturing Deduction (IRS Section 199) – The Company will include the benefit of any deduction forecast to be received under this IRS Section in the yearly Production Tax Credit filing. The forecast benefit will be adjusted to the actual benefit received when the Company completes its Corporate tax return for a given year. For example, if a benefit were forecast to be available in year xxx2, the benefit would be included in the Production Tax Credit filing in October of year xxx1 for the year xxx2. The amount of benefit actually received would be known in September, xxx3 and any adjustment between forecast and actual would be reflected in the October, xxx3 Production Tax Credit filing.

Tree Watch – The Company and Commission Staff agree that there will be no deferrals associated with the two million dollars allocated for Tree Watch. In March of each year the Company will file a report detailing the amount spent on Tree Watch for the previous calendar year and provide an explanation for any deviations greater than 5% from the two million dollars allocated to this program.

ATTACHMENT A

COMPARISON BETWEEN PSE AND STAFF DIRECT CASES (as revised, after 9/15 settlement) (Shading indicates contested adjusments)

Docket Number UE-060266 & 060267 Exhibit No. ____(JMR-2)
Page 41

ELECTRIC

		۸ ما ؛		PSE				STAFF	.	REVISED 9/13/06
	Adjustment	Adj.	Nov	_	Revenue	,		OTUTAL	D	Staff - PSE
	Per Books	No.	NOI	Rate Base	Requirement		NOI	Rate Base	Revenue	Rev. Req.
	Tot Books		\$231,281,640	\$2,513,582,619	(\$17,868,867)	\$	231,281,640 \$		(\$54,718,184)	Difference
	2 Temperature Normalization	E.01	\$7.424.007				7 3 - 1 - 4	2,515,502,019	(\$34,718,184)	(\$36,849,317)
3	Revenues & Expenses	E.02	\$7,424,007 218,656,441		(\$11,960,057)	\$	7,424,007		(\$11,960,057)	**
	Power Costs	E.03	600000000000000000000000000000000000000		(\$352,254,995)		218,656,441		(\$352,254,995)	\$0
	Federal Income Tax	E.04	(194,113,815)		\$312,716,885		(182,224,643)		\$293,563,457	\$1
6		E.04 E.05	4,185,813		(\$6,743,335)	******************************	4,185,813			(\$19,153,428)
7	Conservation	E.05	(2,391,139)		\$3,852,119		(1,104,187)		(\$6,743,334)	\$1
8		E.00	11,852,001	(28,822)	(\$19,097,612)		11,852,001	(28,822)	\$1,778,843	(\$2,073,276)
g			(1,044,352)		\$1,682,449		(1,044,352)	(20,022)	(\$19,097,190)	\$423
	0 Misc non-Operating	E.08.1	(1,337,206)		\$2,154,236		(1,337,206)		\$1,682,449	\$0
1	Oregon Prop. Taxes for 3rd AC	E.08.2	627		(\$1,009)		627		\$2,154,236	(\$0)
1'	2 Baker Hydro Relicensing Costs	E.08.3	(484,484)		\$780,503		(484,484)		(\$1,009)	\$0
13	2 Tree Weetsh Francisco	E.08.4	(385,657)	26,254,348	\$4,326,396		(385,657)	26.264.240	\$780,503	\$0
1.	Tree Watch Expense	E.08.5	(639,229)		\$1,029,796			26,254,348	\$3,941,505	(\$384,891)
14	New York Stock Exchange Fees	E.08.6	-		\$0		(639,229)		\$1,029,796	\$0
13	Depreciation on CWIP In-Service	E.08.7	(56,700)		\$91,344		(56 500)		\$0	\$0
16	CWIP In-Service Rate Base	E.08.8	,	3,317,734	\$468,210		(56,700)		\$91,344	(\$0)
17	Property Taxes	E.09	383,183	3,317,734	(\$617,307)			3,317,734	\$419,572	(\$48,638)
18	B Hopkins Ridge Wind Plant	E.10	(9,389,305)	147,154,987			383,183		(\$617,307)	\$0
	Excise Tax & Filing Fee	E.11	(384,314)	117,154,767	\$35,893,158		(9,389,305)	147,154,987	\$33,735,854	(\$2,157,304)
	D&O Insurance	E.12	(13,291)		\$619,129		(384,314)		\$619,129	\$0
	Montana Energy Tax	E.13	8,557		\$21,412		315,563		(\$508,371)	(\$529,782)
22	Cast Deposits	E.14	(227,184)		(\$13,785)		8,557		(\$13,785)	\$0
	SFAS 133	E.15	592,392		\$365,993		(227,184)		\$365,993	\$0
24	Rate Case Expenses	E.16	340,717		(\$954,342)		592,392		(\$954,343)	(\$1)
25	Property Sales	E.17	(18,149)		(\$548,894)		340,717		(\$548,894)	\$0
26	Property & Liability Ins	E.18	(288,833)		\$29,238		(18,149)		\$29,237	(\$1)
27		E.19			\$465,309		(288,833)		\$465,310	\$1
28	Wage Increase	E.20	(2,565,770)		\$4,133,449		(2,565,770)		\$4,133,449	(\$0)
29		E.21	(2,512,047)		\$4,046,902		(2,512,047)		\$4,046,902	
30		E.22	(99,416)		\$160,158		(99,416)		\$160,158	\$0 \$0
	Montana Corp. Lic. Tax		(669,622)		\$1,078,759		(669,622)		\$1,078,759	\$0
	Storm Damage	E.23	(167,307)		\$269,531		(167,307)			\$0
33		E.24	(197,617)		\$318,361		(197,617)		\$269,531	\$0
34		E.25	(2,887,461)	(54,943,645)	(\$3,102,140)		(2,887,461)	(54,943,645)	\$318,360	(\$0)
		E.26	(19,715,599)	356,220,868	\$82,032,878		(19,715,599)		(\$2,296,663)	\$805,477
	Incentive Pay	E.27	690,180		(\$1,111,878)			356,220,868	\$76,810,652	(\$5,222,226)
36	Grine Relocation	E.28	(1,644,955)	(3,139,603)	\$2,206,947		690,180		(\$1,111,878)	\$0
37		E.29	5,065,947	(5,155,005)			(1,644,955)	(3,139,603)	\$2,252,974	\$46,027
38	- Former Logitum	E.30	0		(\$8,161,228)		5,065,947		(\$8,161,228)	\$0
39	Depreciation	E.31	_		\$0		0		\$0	\$0
40	Production Adjustment	E.32	787,513	(11,102,293)	\$0		· •		\$0	\$0
41			707,515	(11,102,293)	(\$2,835,475)		787,513	(11,102,293)	(\$2,672,714)	\$162,760
42	Total		\$240,035,565	\$2,977,316,193						
43			Ψ2 10,033,303	Ψ4,7//,310,193	\$33,472,234		\$253,540,544	\$2,977,316,193	(\$31,931,941)	(\$65,404,176)
44	Total Increase				7,878,988					
77					\$41,351,222				(\$31,931,941)	(\$7,878,988) (\$73,283,164)
	n			-					1	(4/3,403,104)
	Rate Of Return		Rate of Return		8.76%	Rate of	Return		= 0=0.	
46	Conversion Factor		Conversion Factor		0.6207334		sion Factor		7.85%	

0.6207334

Conversion Factor

0.6207334

Docket Number UE-060266 & 060267

Exhibit No. _____ (JMR-2)
Page 1

REVISED 9/15/06

PUGET SOUND ENERGY-ELECTRIC RESULTS OF OPERATIONS FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2005 GENERAL RATE INCREASE

LIN NO			CTUAL RESULTS OF OPERATION		TOTAL ADJUSTMENTS		ADJUSTED RESULTS OF OPERATIONS	R	REVENUE EQUIREMENT SURPLUS		AFTER RATE DECREASE
1	OPERATING REVENUES:										CALLINE
2	SALES TO CUSTOMERS	. \$	1,397,539,936	•							
3	SALES FROM RESALE-FIRM	Ψ	350,901	3	315,071,415	\$	1,712,611,351	\$	(31,931,941)	\$	1,680,679,410
4	SALES TO OTHER UTILITIES		151,158,328		127,722		478,623		-		478,623
5	OTHER OPERATING REVENUES				(142,929,914)		8,228,414				8,228,414
6	TOTAL OPERATING REVENUES		55,899,367		(19,665,307)	<u> </u>	36,234,060		-		36,234,060
7			1,604,948,532		152,603,916		1,757,552,448		(31,931,941)		1,725,620,507
8	OPERATING REVENUE DEDUCTIONS:										, , , , ,
9	THE PERCENTIONS.										
10	POWER COSTS:										
11	FUEL	\$									
12	PURCHASED AND INTERCHANGED	2	75,039,758	\$	10,156,621	\$	85,196,379	\$		\$	85,196,379
13	WHEELING		808,898,950		(86,389,683)		722,509,267			Ť	722,509,267
14	RESIDENTIAL EXCHANGE		43,994,427		14,150,625		58,145,052				58,145,052
15	TOTAL PRODUCTION EXPENSES		(177,350,021)		177,350,021						30,143,032
16	TOTAL TRODUCTION EXPENSES		750,583,114		115,267,584		865,850,698				865,850,698
17	OTHER BOWER CLIRAL A STREET										803,830,698
18	OTHER POWER SUPPLY EXPENSES TRANSMISSION EXPENSE	\$	53,185,137	\$	24,728,796	\$	77,913,933	\$	-	•	55 012 000
19			3,786,749		369,363		4,156,112	·	-	3	77,913,933
20	DISTRIBUTION EXPENSE		56,397,075		5,396,061		61,793,136				4,156,112
21	CUSTOMER ACCOUNT EXPENSES		32,311,231		3,856,520		36,167,751		(146,016)		61,793,136
22	CUSTOMER SERVICE EXPENSES		9,266,102		(7,727,470)		1,538,632		(140,010)		36,021,735
23	CONSERVATION AMORTIZATION		18,233,848		(18,233,848)		-,,				1,538,632
23	ADMIN & GENERAL EXPENSE		64,934,552		8,940,330		73,874,882		(60,671)		-
25	DEPRECIATION		129,900,123		21,488,531		151,388,654		(00,071)		73,814,212
	AMORTIZATION		24,582,050		565,341		25,147,391				151,388,654
26	AMORTIZ OF PROPERTY GAIN/LOSS		7,937,131		(3,180,069)		4,757,062				25,147,391
27	OTHER OPERATING EXPENSES		(2,317,679)		2,085,161		(232,518)				4,757,062
28	FAS 133		911,373		(911,373)		(232,310)				(232,518)
29	TAXES OTHER THAN INCOME TAXES		140,165,789		(29,864,137)		110,301,652				-
30	INCOME TAXES		101,303,182		(9,785,068)				(1,231,069)		109,070,583
31	DEFERRED INCOME TAXES		(17,512,885)		17,349,292		91,518,114		(10,672,964)		80,845,150
32	TOTAL OPERATING REV. DEDUCT.	\$		\$		\$	(163,593)				(163,593)
33			,,,	Ψ	130,343,012	Þ	1,504,011,904	\$	(12,110,719)	\$	1,491,901,185
34	NET OPERATING INCOME	\$	231,281,640	\$	22 250 004		1				
35		•	231,201,040	Þ	22,258,904	\$	253,540,544	\$	(19,821,222)	\$	233,719,322
36	RATE BASE	\$	2 512 592 (10	•							
37		J.	2,513,582,619	\$	463,733,574	\$	2,977,316,193	\$	- :	S	2,977,316,193
38	RATE OF RETURN		0.200/								
39			9.20%				8.52%				7.85%
40	RATE BASE:										
41	GROSS UTILITY PLANT IN SERVICE	\$									
42	ACCUM DEPR AND AMORT	3	4,571,527,301	\$	567,925,997	\$	5,139,453,298				
42	DEFERRED DEBITS		(1,971,832,341)		(13,085,187)		(1,984,917,528)				
43	DEFERRED TAXES		353,317,604		(48,376,550)		304,941,054				
44	ALLOWANCE FOR WORKING CAPITAL		(387,242,755)		(42,730,686)		(429,973,441)				
45	OTHER				•		-				
	mom . r =		(52,187,190)			_	(52,187,190)				
	. OTTLE RATE DASE	\$	2,513,582,619	\$	463,733,574	\$	2,977,316,193				

LIN NO			(Uncontested) UAL RESULTS OF OPERATIONS	TE	Uncontested) MPERATURE RMALIZATION E.01		(Uncontested) REVENUES & EXPENSES E.02	(Contested) POWER COSTS E.03	(Uncontested) FEDERAL INCOME TAX E.04	(Uncontested) FAX BENEFIT OF PRO FORMA INTEREST E.05	(Uncontested) CONSERVATIO E.06		(Uncontested) BAD DEBTS E.07
1 2 3 4	OPERATING REVENUES SALES TO CUSTOMERS SALES FROM RESALE-FIRM SALES TO OTHER UTILITIES	\$	1,397,539,936 350,901	\$	11,954,453 5,605	\$	303,116,962 122,117	\$ 	\$ 	\$ 		- \$	-
5	OTHER OPERATING REVENUES		151,158,328 55,899,367				908,826	(142,929,914) (20,574,133)					
7	TOTAL OPERATING REVENUES	\$	1,604,948,532	\$	11,960,058	\$	304,147,905	\$ (163,504,047)	\$ -	\$ -	\$	- \$	-
8 9	OPERATING REVENUE DEDUCTIONS:												
10	POWER COSTS: FUEL	.\$	75,039,758	\$		\$							
12 13 14	PURCHASED AND INTERCHANGED WHEELING RESIDENTIAL EXCHANGE		808,898,950 43,994,427 (177,350,021)	Ψ	-	J		\$ 12,933,963 (93,428,664) 9,913,466	\$ -	\$ •	\$	- \$	-
15 16		\$	750,583,114	\$	-	\$	- · · · · · · · · · · · · · · · · · · ·	\$ 177,350,021 106,768,787	\$ _	\$	\$	- \$	
17 18 19	OTHER POWER SUPPLY EXPENSES TRANSMISSION EXPENSE DISTRIBUTION EXPENSE	\$	53,185,137 3,786,749 56,397,075	\$	-	\$	-	\$ 9,852,208 257,787	\$ -	\$ -	•	- \$	- - -
20 21 22 23	CUSTOMER ACCTS EXPENSES CUSTOMER SERVICE EXPENSES CONSERVATION AMORTIZATION		32,311,231 9,266,102 18,233,848		54,690		1,390,782				(19 222 04		1,606,696
24 25 26	ADMIN & GENERAL EXPENSE DEPRECIATION AMORTIZATION AMORTIZ OF PROPERTY GAIN/LOSS		64,934,552 129,900,123 24,582,050 7,937,131		22,724		577,881				(18,233,84) 	
27 28	OTHER OPERATING EXPENSES FAS 133		(2,317,679) 911,373										
29 30 31 32	TAXES OTHER THAN INCOME TAXES INCOME TAXES DEFERRED INCOME TAXES TOTAL ONED A TAXES		140,165,789 101,303,182 (17,512,885)		461,095 3,997,542		(34,215,282) 117,738,084	(37,225) (98,120,961)	(21,216,124) 17,030,311	1,104,187	6,381,84		(562,344)
33	TOTAL OPERATING REV. DEDUCT.	\$	1,373,666,892	\$	4,536,051	\$	85,491,464	\$ 18,720,596	\$ (4,185,813)	\$ 1,104,187	\$ (11,852,001) \$	1,044,352
34 35	NET OPERATING INCOME	\$	231,281,640	\$	7,424,007	\$	218,656,441	\$ (182,224,643)	\$ 4,185,813	\$ (1,104,187)	\$ 11,852,001	\$	(1,044,352)
36 37	RATE BASE	\$	2,513,582,619								\$ (28,822)	
38 39	RATE OF RETURN		9.20%										
40	RATE BASE:												
41 42	GROSS UTILITY PLANT IN SERVICE ACCUM DEPR AND AMORT	\$	4,571,527,301 (1,971,832,341)	\$	•	\$	-	\$ -	\$ • -	\$ -	\$	\$	· ·
43 44 45	DEFERRED DEBITS DEFERRED TAXES ALLOWANCE FOR WORKING GARRENA		353,317,604 (387,242,755)								(28,822)	
46	ALLOWANCE FOR WORKING CAPITAL OTHER TOTAL RATE BASE		(52,187,190)										
7/	TOTAL MATE DASE	\$	2,513,582,619	\$	-	\$	-	\$	\$	\$	\$ (28,822	\$	-

LINE NO. 1 OPERATING REVENUES	MIS	Uncontested) CELLANEOUS ERATING EXP. E.08	(Uncontested) PROPERTY TAXES E.09	(Uncontested) HOPKINS RIDGE WIND PLANT E.10	F	(Uncontested) EXCISE TAX FILING FEE E.11	(Contested) D&O INSURANCE E.12	MO	(Uncontested) PNTANA ELECTRIC ENERGY TAX E.13	(Uncontested) INTEREST ON CUST DEPOSITS E.14	(Uncontested) SFAS 133 E.15	(Uncontested) RATE CASE EXPENSES E.16
2 SALES TO CUSTOMERS 3 SALES FROM RESALE-FIRM 4 SALES TO OTHER UTILITIES 5 OTHER OPERATING REVENUES	\$	· -	\$ -		\$	<u>-</u>	\$	· \$	-	\$ -	\$.	\$ -
6 TOTAL OPERATING REVENUES 7	\$	-	\$ -	\$ -	\$	-	\$ -	\$	•	\$ - :	5 -	\$ -
8 OPERATING REVENUE DEDUCTIONS: 9												
10 POWER COSTS: 11 FUEL 12 PURCHASED AND INTERCHANGED 13 WHEELING	\$	- :	\$ -		\$	-	\$ -	\$	- :	\$ - 5		\$ -
13 WHEELING 14 RESIDENTIAL EXCHANGE 15 TOTAL PRODUCTION EXPENSES	\$			1,653,530								
16 17 OTHER POWER SUPPLY EXPENSES	\$ \$	- :		1,111,000		-	\$ -	\$	- 5	- 5	-	\$ -
18 TRANSMISSION EXPENSE 19 DISTRIBUTION EXPENSE 20 CUSTOMER ACCTS EXPENSES	Ψ	983,429	\$ - <u>'</u>	4,729,000	\$	-	\$ -	\$	- 3	- \$	<u>.</u>	\$ -
21 CUSTOMER SERVICE EXPENSES22 CONSERVATION AMORTIZATION										227,184		
23 ADMIN & GENERAL EXPENSE 24 DEPRECIATION 25 AMORTIZATION 26 AMORTIZ OF PROPERTY GAIN/LOSS		87,231 592,355		195,041 7,099,187		45,737	(485,481)					(524,180)
27 OTHER OPERATING EXPENSES 28 FAS 133		2,057,240										
29 TAXES OTHER THAN INCOME TAXES 30 INCOME TAXES 31 DEFERRED INCOME TAXES		745,360 (1,562,965)	(589,513) 206,330	768,326 (5,055,779)		545,515 (206,938)	169,918		(13,165) 4,608	\$		\$ 183,463
32 TOTAL OPERATING REV. DEDUCT. 33	\$	2,902,650 \$	(383,183) \$	9,389,305	\$	384,314	(315,563)	\$	(8,557) \$	227,184 \$	318,981 (592,392)	\$ (340,717)
34 NET OPERATING INCOME 35 36 RATE BASE	\$	(2,902,650) \$	383,183 \$	(9,389,305)	\$	(384,314)	315,563	\$	8,557 \$	(227,184) \$	592,392	\$ 340,717
36 RATE BASE 37 38 RATE OF RETURN	· \$	29,572,082	S	147,154,987								
39 40 RATE BASE:												
41 GROSS UTILITY PLANT IN SERVICE 42 ACCUM DEPR AND AMORT 42 DEFERRED DEBITS 43 DEFERRED TAXES 44 ALLOWANCE FOR WORKING CAPITAL	\$	30,069,859 \$ (497,777)	- \$	177,479,678 (13,226,358) 8,742,500 (25,840,833)	\$	- \$		\$	- \$	- \$	- \$	-
45 OTHER 46 TOTAL RATE BASE	\$	29,572,082 \$	- \$	147,154,987		- S	-					

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Exhibit No. ____ (JMR-2)
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PUGET SOUND ENERGY-ELECTRIC STATEMENT OF OPERATING INCOME AND ADJUSTMENTS

FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2005 RESTATING AND PRO FORMA ADJUSTMENTS

LINI NO.		DEFE	ncontested) RRED G/L ON PERTY SALES E.17	(Uncon PROPE LIABILI E.	RTY &	(Uncontested) PENSION PLAN E.19	(Uncontested) WAGE INCREASE E.2		Uncontested) VESTMENT PLAN E.21	EM INS	contested) PLOYEE URANCE E.22	(Uncontested) MONTANA CORP. TAX E.23		Jncontested) STORM DAMAGE E.24	REGUL	ncontested) ATORY ASSETS IABILITIES E.25
1 2	OPERATING REVENUES SALES TO CUSTOMERS										**************					
3	SALES FROM RESALE-FIRM	\$	-	\$	-	\$.	\$ -	\$		\$	- \$		· \$		•	
4	SALES TO OTHER UTILITIES									•	Ψ	· .	3	•	\$	•
5	OTHER OPERATING REVENUES															
6	TOTAL OPERATING REVENUES															
7	TO THE OF EXAMING REVENUES	\$	•	\$	- :	s -	\$ -	\$	•	\$	- \$		\$	-	•	
8	OPERATING REVENUE DEDUCTIONS:													· •	3	-
10	POWER COSTS:															
11	FUEL	\$	-	•												
12	PURCHASED AND INTERCHANGED	Ψ	-	Ф	- (-		\$	-	\$	- \$	-	\$		\$	(2,783,753)
13	WHEELING						101,827									7,226,000
14	RESIDENTIAL EXCHANGE															7,220,000
15	TOTAL PRODUCTION EXPENSES	\$	-	\$	- 5	,										
- 16				J	- 1		\$ 101,827	\$	-	\$	- \$: -	\$	-	\$	4,442,247
17 18	OTHER POWER SUPPLY EXPENSES TRANSMISSION EXPENSE	\$	-	\$	- \$		\$ 475,978	\$	_	\$	- \$				_	
19	DISTRIBUTION EXPENSE						61,416	•		Ψ	- 5	-	\$	70,367	\$	-
20	CUSTOMER ACCTS EXPENSES						1,315,409									
21	CUSTOMER SERVICE EXPENSES						743,838							3,400,410		*
22	CONSERVATION AMORTIZATION						96,650									
23	ADMIN & GENERAL EXPENSE															
24	DEPRECIATION			4	144,359	3,947,338	846,988		152,948		,030,188					
25	AMORTIZATION															
26	AMORTIZ OF PROPERTY GAIN/LOSS															
27	OTHER OPERATING EXPENSES		27,921			•								(3,166,751)		
28	FAS 133		27,721													
29	TAXES OTHER THAN INCOME TAXES															
	INCOME TAXES		(9,772)	(1	55,526)	(1 201 560)	222,582									
31	DEFERRED INCOME TAXES		(, , , , , , , ,	(.	00,020)	(1,381,568)	(1,352,641)		(53,532)		(360,566)	167,307		(106,409)		(1,554,786)
	TOTAL OPERATING REV. DEDUCT.	\$	18,149	\$ 2	88,833 \$	2,565,770	\$ 2,512,047	\$	99,416	\$	669,622 \$	167,307	•	107.617		
33	NET OPER LIBRIG PLACE.								,	•	007,022	107,307	•	197,617	•	2,887,461
35	NET OPERATING INCOME	\$	(18,149)	\$ (2	88,833) \$	(2,565,770)	\$ (2,512,047)	\$	(99,416)	\$.	(669,622) \$	(167,307)	\$	(197,617)		(2,887,461)
36 37	RATE BASE													· · · · · · · · · · · · · · · · · · ·	S	(54,943,645)
38	RATE OF RETURN															(5.1,5.15,5.15)
39	•															
40	RATE BASE:													•		
41	GROSS UTILITY PLANT IN SERVICE	\$	- 5	\$	- \$	- 5		•								
42	ACCUM DEPR AND AMORT		•	-	- 3	- 3		3	- 5	5	- \$	-	\$	-		
42	DEFERRED DEBITS															
43	DEFERRED TAXES															(54,943,645)
44	ALLOWANCE FOR WORKING CAPITAL															
45	OTHER															
46	TOTAL RATE BASE	. \$.	- S		- \$	- 9	-		- 5							

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LINE NO. 1 OPERATING REVENUES	(Uncontested) WILD HORSE WIND PLANT E.26	(Uncontested) INCENTIVE PAY E.27	(Uncontested) GENERAL OFFICE RELOCATION E.28	(Uncontested) OTHER AMORTIZATION E.29	(Uncontested) DEMAND RESPONSE PROGRAM E4,30		Incontested) PRECIATION E.31	(Uncontested) PRODUCTION ADJUSTMENT E.32	TOTAL ADJUSTMENTS	ADJUSTED RESULTS OF OPERATIONS
2 SALES TO CUSTOMERS							***************************************			OI ERATIONS
3 SALES FROM RESALE-FIRM								\$ _		
4 SALES TO OTHER UTILITIES								\$.	,-/2,/12	1,712,611,351
5 OTHER OPERATING REVENUES									127,722	478,623
6 TOTAL OPERATING REVENUES			\$. 5						(142,929,914)	8,228,414
. 7			- \$	• ;	S -	\$	-	\$.	(19,665,307) \$ 152,603,916 \$	36,234,060
8 OPERATING REVENUE DEDUCTIONS:								-	152,003,916 \$	1,757,552,448
10 POWER COSTS:										
11 FUEL										
12 PURCHASED AND INTERCHANGED		(39,976)					:	\$ 6,411	10.156.6316	
13 WHEELING	2,621,721							(248,869)	\$ 10,156,621 \$ (86,389,683)	85,196,379
14 RESIDENTIAL EXCHANGE	-,,							(38,092)	14,150,625	722,509,267
15 TOTAL PRODUCTION EXPENSES	\$ 2,621,721	\$ (39,976)	s - s	· · · · · · · · · · · · · · · · · · ·				(, -,	177,350,021	58,145,052
16		(, , , , , ,	- ,	- \$	-	\$	- 5	(280,551) 5		865,850,698
17 OTHER POWER SUPPLY EXPENSES	\$ 9,921,354	\$ (116,002)							, .,===	003,830,038
18 TRANSMISSION EXPENSE		(20,208)					5	(133,742) \$	24,728,796 \$	77,913,933
19 DISTRIBUTION EXPENSE 20 CUSTOMER ACCTS EXPENSES		(303,187)							369,363	4,156,112
THE PROPERTY OF THE PROPERTY O		(166,670)					•		5,396,061	61,793,136
TO TO THE REPORT OF THE PROPERTY OF THE PROPER		(30,356)		(7,793,764)					3,856,520	36,167,751
THIONTENORTIZATION				(1,175,104)	-				(7,727,470)	1,538,632
23 ADMIN & GENERAL EXPENSE 24 DEPRECIATION	264,209	(316,322)	2,768,978	•					(18,233,848)	
25 AMORTIZATION	15,066,967		(228,856)					(30,077)	8,940,330	73,874,882
26 AMORTIZ OF PROPERTY GAIN/LOSS			,				-	(535,998)	21,488,531	151,388,654
27 OTHER OPERATING EXPENSES							-	(27,014)	565,341	25,147,391
28 FAS 133								(13,318)	(3,180,069)	4,757,062
29 TAXES OTHER THAN INCOME TAXES								-	2,085,161	(232,518)
30 INCOME TAXES	2,457,440	(69,094)	(9,422)						(911,373)	-
31 DEFERRED INCOME TAXES	(10,616,092)	371,635	(885,745)	2,727,818	_		_	(130,755)	(29,864,137)	110,301,652
32 TOTAL OPERATING REV. DEDUCT.	\$ 19,715,599						-	363,942	(9,785,068)	91,518,114
33	3 19,/15,599	\$ (690,180)	1,644,955 \$	(5,065,947) \$		\$	- S	(787,513) \$	17,349,292	(163,593)
34 NET OPERATING INCOME	\$ (19,715,599)					•		(/6/,513) 3	130,345,012 \$	1,504,011,904
35	J (13,713,399)	\$ 690,180	(1,644,955) \$	5,065,947 \$		\$	- \$	787,513 \$	22.259.004 @	
36 RATE BASE	\$ 356,220,868						Ţ	707,515 3	22,258,904 \$	253,540,544
37	9 330,220,606	\$	(3,139,603)			\$	- \$	(11,102,293) \$	463,733,574 \$	2.055.21 (4.00
38 RATE OF RETURN								(-1,102,275) \$	403,733,374 3	2,977,316,193
39										8.52%
40 RATE BASE:										0.3476
41 GROSS UTILITY PLANT IN SERVICE	\$ 383,253,789	\$	(6.057.022)							
42 ACCUM DEPR AND AMORT	(8,090,394)	1	(-,,,,,,,,)	•			- \$	(16,019,396) \$	567,925,997 \$	5,139,453,298
42 DEFERRED DEBITS	(0,070,077)		2,804,020					5,925,322	(13,085,187)	(1,984,917,528)
43 DEFERRED TAXES	(18,942,527)		014.210				-	(2,146,583)	(48,376,550)	304,941,054
44 ALLOWANCE FOR WORKING CAPITAL	(10,5 12,527)		914,310					1,138,364	(42,730,686)	(429,973,441)
45 OTHER									,. 50,000)	(742,7/3,441)
46 TOTAL RATE BASE	\$ 356,220,868	s - s	(3,139,603) \$		· · · · · · · · · · · · · · · · · · ·					(52,187,190)
		· · · · · · · · · · · · · · · · · · ·	(21.57,005) \$	- \$		\$	- \$	(11,102,293) \$	463,733,574 \$	2,977,316,193

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REVISED 9/15/06

PUGET SOUND ENERGY-ELECTRIC E.03 - POWER COSTS

FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2005 GENERAL RATE INCREASE

LIN	IE						INCREASE
NO	D. DESCRIPTION		ACTUAL	.]	PROFORMA		(DECREASE)
1	SALES FOR RESALE	\$	151,158,328	\$	8,228,414	\$	(142,929,914)
2							7: -: 3: - 1)
3	PURCHASES/SALES OF NON-CORE GAS		20,154,644		547,386		(19,607,258)
4	WHEELING FOR OTHERS		11,340,015		10,373,140		(966,875)
5			31,494,659		10,920,526		(20,574,133)
6					,,,,		(20,371,133)
7	TOTAL OPERATING REVENUES		182,652,987		19,148,940		(163,504,047)
8					19,110,910		(103,304,047)
9	FUEL	\$	72,975,508	S	85,909,471	¢	12,933,963
10			72,573,300		00,505,471	Ψ	12,933,903
11	PURCHASED AND INTERCHANGED		788,255,330		706,633,940		(81,621,390)
12	RATE DISALLOWANCES FOR MARCH POINT 2 AND TENASKA		700,233,330		(11,807,274)		(11,807,274)
13	SUBTOTAL PURCHASED AND INTERCHANGED	\$	788,255,330	<u> </u>		\$	
14	WHEELING	Ψ	43,994,427	Ф		Þ	(93,428,664)
15	SCH. 94 - RES./FARM CREDIT		(177,350,021)		53,907,893		9,913,466
16	TOTAL PRODUCTION EXPENSES	\$	727,875,244	Φ.	924 (44 021	Φ.	177,350,021
17	HYDRO AND OTHER POWER	Ф		\$	***************************************	\$	106,768,787
18	TRANS. EXP. INCL. 500KV O&M		53,185,137		63,037,345		9,852,208
19	-		604,461		862,248		257,787
20	TOTAL OPERATING EXPENSES	Φ.	701 ((4.040	Φ.	000	_	
21	- TO THE OTER THROUGH	\$	781,664,842	.\$	898,543,624	\$	116,878,782
22	INCREASE (DECREASE) OPERATING INCOME (LINE 7 - LINE 20	Φ.	(#00.011.0==)	_			
23	THE 2C	\$	(599,011,855)	\$	(879,394,684)	\$	(280,382,829)
24	REDUCTION TO STATE UTILITY TAX SAVINGS FOR LINE 4						
25			3.85%				(37,225)
	INCREASE (DECREASE) INCOME					\$	(280,345,604)
26 27	INCREASE (DECREASE) FIT @		35%				(98,120,961)
21	INCREASE (DECREASE) NOI					\$	(182,224,643)

PUGET SOUND ENERGY GENERAL RATE CASE

DETERMINATION OF NET POWER COSTS FOR GRC PAGE 4.0:

TEST YEAR ENDED SEPTEMBER 30, 200! RATE YEAR ENDED DECENBER 31, 200:

Lin	e FERC	Description	Rate Year 12ME 12/31/2007	Less Hopkins Ridge	Less Wild Horse	Less Amort of Reg Assets	Remove Ben&Tax	Net Before Prod Factor	After Prod Factor of 0.99109
1	Fuel:							. 700 1 00001	0.99109
2	501	Steam Fuel	Ф <u>го ооо то</u> т						
3	547	Fuel	\$ 52,239,184				\$ -	\$ 52,239,184	\$ 51,773,733
4	047	i dei	33,723,119			719,503		34,442,622	34,135,738
5	Purchase	ed and Interchanged	85,962,303		-	719,503	-	86,681,806	85,909,471
6	555	Purchased Power						30,001,000	00,505,471
6a	555		733,833,000			(27,869,620)	-	705,963,380	699,673,246
6a	555	Tenaska Buyout Disallowance	(8,322,633)			,		(8,322,633)	(8,248,478)
6a	555	Tenaska Prudence Disallowance	(2,519,097)					(2,519,097)	(2,496,652)
0a 7	557	March Point 2 Prudence Disallowance	(1,071,693)					(1,071,693)	(1,062,144)
0	557	Other Power Expense	7,699,594				(676,323)	7,023,271	6,960,694
0			729,619,171	-	-	(27,869,620)	(676,323)	701,073,228	694,826,666
9	505	147 11				(//	(0.0,020)	701,070,220	094,020,000
10 11	565	Wheeling	58,667,782		(2,621,721)	(1,653,530)	-	54,392,531	53,907,893
12 13	various	Hydro and Other Power	80,386,904	(4,729,000)	(9,921,354)		(2,132,493)	- 63,604,057	63,037,345
14	various	Trong Fun Incl. 500K, 0014					•	, , , , , , , , , , , , , , , , , , , ,	35,501,610
15	447	- Aprilland Cooking Could	870,000					870,000	862,248
16	456	Sales for Resale	(8,302,389)					(8,302,389)	(8,228,414)
17	400	Purchases/Sales Of Non-Core Gas	(552,307)					(552,307)	(547,386)
18			(7,984,695)	•	-	•	-	(7,984,695)	(7,913,552)
	Nat Dam	-						(.,,,,	(1,010,002)
19	Net Pow		\$946,651,465	-\$4,729,000	-\$12,543,075	-\$28,803,647	-\$2,808,816	\$897,766,927	\$889,767,824
20	various	Variable Transmission Income	(10,466,396)				, , , , , , , , ,	(10,466,396)	
21			· · · · · · · · · · · · · · · · · · ·					(10,400,390)	(10,373,140)
22	Power Co	osts Page 4.03 Line 22	\$ 936,185,070	\$ (4,729,000)	(12,543,075)	\$ (28,803,647)	\$ (2,808,816)	\$ 887,300,532	\$ 879,394,684
-		·					+ (=,000,010)	Ψ 001,000,002	Ψ 073,334,004

Attachment A Page 8

includes agreed upon charges as of 9/15/06

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PUGET SOUND ENERGY-ELECTRIC E.08 - MISCELLANEOUS OPERATING EXPENSE FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2005 GENERAL RATE INCREASE

LIN	E		PROFORMA	
NO	. DESCRIPTION	ACTUAL		ADJUSTMENT
			RESTATED	ADJUSTMENT
1	OPERATING EXPENSES			
2	AMORTIZATION OF DEFERRAL PURSUANT TO WUTC DOCKET NO. UE-051527	·	1,834,669	1,834,669
3	RECOVER NORMALIZED CARRYING COSTS RELATED TO LINE 2 ABOVE		222,571	222,571
4	MISCELLANEOUS NON- OPERATING	964	222,3 / 1	(964)
5	OREGON BACK TAXES	-	745,360	745,360
6	AMORTIZATION OF BAKER LAKE RELICENSING	-	593,319	593,319
7	TREE WATCH	1,016,571	2,000,000	983,429
8	NYSE PSE COMMON STOCK FEES	55,825	55,825	763,427
9	CWIP "IN SERVICE" BUT NOT TRANSFERRED TO PLANT - DEP EXP	00,020	87,231	87,231
10			07,231	07,231
11	INCREASE (DECREASE) IN EXPENSE	\$ 1,073,360 \$	5,538,975	4,465,615
12		-,,	3,550,575	7,403,013
13	INCREASE(DECREASE) OPERATING EXPENSE			4,465,615
14	INCREASE(DECREASE) FIT @		35%	
15			3376	(1,562,965)
16	INCREASE(DECREASE) NOI		\$	(2,902,650)
17				(2,502,030)
18	RATEBASE			
19	CWIP "IN SERVICE" BUT NOT TRANSFERRED TO PLANT		3,370,522	3,370,522
20	CWIP "IN SERVICE" BUT NOT TRANSFERRED TO PLANT - ACC DEP	-	(52,788)	(52,788)
	BAKER LAKE RELICENSING GROSS UTILITY PLANT	_	26,699,337	26,699,337
22	BAKER LAKE RELICENSING ACCUMULATED AMORTIZATION (AMA)		(444,989)	(444,989)
23			(111,707)	(777,709)
24	TOTAL ADJUSTMENT TO RATEBASE		\$	29,572,082
			Ψ	47,374,002

COMPARISON BETWEEN PSE AND STAFF DIRECT CASES (as revised, after 9/15 settlement) (Shading indicates contested adjustments)

Docket Number UE-060266 & 060267

0.6216003

Exhibit No. ____(JMR-4)
Page ____30

GAS

REVISED 9/15/06 PSE STAFF. Staff - PSE Adj. Revenue Revenue Rev. Reg. Adjustment No. NOI Rate Base Requirement NOI Rate Base Requirement Per Books Difference \$72,496,462 \$1,179,240,567 \$49,557,588 \$72,496,462 \$1,179,240,567 \$32,293,940 (\$17,263,649) 2 Rev. & Exp., Temp. Normalization G.01 \$ 13,696,529 (\$22,034,303)\$ 13,696,529 3 Federal Income Tax (\$22,034,303) \$0 G.02 490,787 (789,554)490,787 4 Tax Benefit of Pro Forma Interest (\$789,554)(\$0)G.03 (7.280.941)11,713,220 (6,778,498)5 Conservation \$10,904,914 (\$808,306) G.04 2,426,926 (3,904,319)2,426,926 6 Bad Debts (\$3,904,320)(\$1) G.05 (236,343)380,217 (236,343)7 Remove Penalties \$380,217 \$0 G.06.1 348 (560)8 Amort. Of Def. Taxes Reg. Asset 348 (\$560)\$0 G.06.2 (923,574)1,485,800 (923,574)9 Depreciation on CWIP In-Service \$1,485,800 \$0 G.06.3 (55,461)89,222 10 Rate Base Adj. CWIP In-Service (55,461)\$89,222 (\$0)G.06.4 2,857,353 402,677 11 Property Taxes 2,857,353 \$360,846 (\$41,831)G.07 469,425 (755,188)469,425 12 Excise Tax & Filing Fee (\$755,189)(\$1) G.08 389,325 (626, 327)389,325 13 Rate Case Expenses (\$626,327)(\$0)G.09 (78,781)126,739 (78,781)14 Property & Liability Ins \$126,739 \$0 G.10 123,942 (199,392)123,942 15 Pension Plan (\$199,392)\$0 G.11 (1,603,511)2,579,650 (1,603,511)16 Wage Increase \$2,579,650 \$0 G.12 (1,460,754)2,349,989 17 Investment Plan (1,460,754)\$2,349,989 \$0 G.13 (62,124)99,943 (62,124)18 Employee Insurancε \$99,943 \$0 G.14 (418,486)673.240 (418,486)19 Incentive Pay \$673,240 \$0 G.15 431,333 (693,907)431,333 (\$693,907) 20 Interest On Cust. Deposits \$0 G.16 (131,750)211,953 (131,750)21 Prop.Sales Def. Gains/Losses \$211,953 \$0 G.17 456,881 (735,008)456,881 22 General Office Relocation (\$735,007)\$1 G.18 (914,888)(1,746,177)1,225,744 (914,887)(1,746,177)23 Low Income Amortization \$1,251,306 \$25,562 G.19 1,361,790 (2,190,781)1,361,790 24 D&O Insurance (\$2,190,781)(\$0)G.20 (8.946)14,392 212,399 25 Everett Delta Pipeline Expansion (\$341,697)(\$356,088)G.21 48,303 (77,707)(154,839)\$249,097 \$326,805 26 Spirit Ridge Adjustment G.22 0 27 Working Capital \$0 \$0 In per books 28 Total \$0 \$0 \$38,903,327 \$79,216,493 \$1,180,351,743 \$79,737,140 \$1,180,351,743 \$20,785,819 (\$18,117,508) 29 Depreciation Tracker Impact 10,884,680 Tracker Impact (\$10,884,680) 30 Total Increase \$49,788,007 Total Increase \$20,785,819 (\$29,002,188) 31 Rate of Return 8.76% 7.85% 32 Conversion Factor

0.6216003

Docket Number UE-060266 & 060267
Exhibit No. _____ (JMR-4)
Page 1
REVISED 9/13/06

PUGET SOUND ENERGY-GAS RESULTS OF OPERATIONS FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2005 GENERAL RATE INCREASE

_	LINE NO.			ACTUAL RESULTS OF OPERATIONS	ΑI	TOTAL DJUSTMENTS		ADJUSTED RESULTS OF OPERATIONS		REVENUE EQUIREMENT DEFICIENCY		AFTER RATE INCREASE
	1	OPERATING REVENUES:										
	2	SALES TO CUSTOMERS	\$	829,271,796		114.007.074						
	3	MUNICIPAL ADDITIONS	φ	34,729,596	3	114,085,076		943,356,872	\$	20,785,819	\$	964,142,691
	4	OTHER OPERATING REVENUES		15,438,897		(34,729,596))			-		-
	5	TOTAL OPERATING REVENUES	-\$	879,440,289	\$	1,916,844 81,272,324		17,355,741				17,355,741
	6		•	075,440,289		01,272,324	Þ	960,712,613	\$	20,785,819	\$	981,498,432
	7											
	8	OPERATING REVENUE DEDUCTIONS										
	9											
	10	GAS COSTS:										
	11											
	12	PURCHASED GAS	\$	539,655,901	¢	91,599,470	e	621.266.271	•			
	13		•	000,000,001	Ψ	91,399,470	. Ф	631,255,371	\$	-	\$	631,255,371
	14	TOTAL PRODUCTION EXPENSES	-\$	539,655,901	•	01 500 470	Φ.	(01.000.00		· · · · · · · · · · · · · · · · · · ·		
	15		Φ	339,033,901	Э	91,599,470	\$	631,255,371	\$	-	\$	631,255,371
	16	OTHER POWER SUPPLY EXPENSES	\$	1.520.542	•							
	17	TRANSMISSION EXPENSE	Þ	1,520,542	, \$	35,258	\$	1,555,800	\$	-	\$	1,555,800
	18	DISTRIBUTION EXPENSE		445,738		8,410		454,148				454,148
	19	CUSTOMER ACCOUNT EXPENSES		33,307,919		770,419		34,078,338				34,078,338
	20	CUSTOMER SERVICE EXPENSES		22,239,694		1,114,334		23,354,028		70,731		23,424,759
	21	CONSERVATION AMORTIZATION		3,914,552		(2,051,043)		1,863,509				1,863,509
	22	ADMIN & GENERAL EXPENSE		3,454,161		(3,733,733)		(279,572)				(279,572)
	23	DEPRECIATION		36,522,434		4,795,866		41,318,300		39,493		41,357,793
	24	AMORTIZATION		64,997,955		(41,961)		64,955,994				64,955,994
	25	AMORTIZATION OF PROPERTY LOSS		11,302,712		0		11,302,712				11,302,712
	26	OTHER OPERATING EXPENSES		3,287		0		3,287				3,287
	27	FAS 133		150,234		717,990		868,224				868,224
	28	TAXES OTHER THAN INCOME TAXES		-		0						-
	29	INCOME TAXES		83,922,287		(32,826,534)		51,095,753		797,945		51,893,698
	30	DEFERRED INCOME TAXES		9,529,694		1,439,838		10,969,532		6,957,177		17,926,709
	31	TOTAL OPERATING REV. DEDUCT.		(4,023,283)		12,203,333		8,180,050				8,180,050
	32	TO TAL OF ERATING REV. DEDUCT.	\$	267,287,926	\$	(17,567,825)	\$	249,720,101	\$	7,865,347	\$	257,585,448
	33	NET OPER LEDIG BUGGS (F										, .,
	33 34	NET OPERATING INCOME	\$	72,496,462	\$	7,240,679	\$	79,737,141	\$	12,920,472	s	92,657,613
	35	RATE BASE								,,	Ţ	2,007,015
	36	RATE BASE	\$	1,179,240,567		\$1,111,176	\$	1,180,351,743	\$	-	\$	1,180,351,743
	37	RATE OF RETURN										-,,,,
	38	INTEGRATION N		6.15%				6.76%				7.85%
	39	RATE BASE:										
	40	UTILITY PLANT IN SERVICE	\$	2,007,347,617	e.	(001.040)	•	2 224 444 222				
	41	ACCUMULATED DEPRECIATION	Φ	(650,335,811)	Þ	(901,242) 1,503,898	2	2,006,446,375				
	42	ACCUMULATED DEFERRED FIT - LIBERALIZEI		(174,512,354)		508,520		(648,831,913) (174,003,834)				
	43	OTHER		(14,234,907)		-		(14,234,907)				
	44	TOTAL NET INVESTMENT	\$		\$	1,111,176	\$	1,169,375,721				
	45 46	ALLOWANCE FOR WORKING CAPITAL		10,976,022		<u> </u>		10,976,022				
	40	TOTAL RATE BASE	\$	1,179,240,567	\$	1,111,176	\$	1,180,351,743				

LIN	**	ACT	(Uncontested) UAL RESULTS OF DPERATIONS ME Sept. 30, 2005	(Uncontested) REVENUE & EXPENSES G.01	(Uncontested) FEDERAL INCOME TAX G.02	(Uncontested) AX BENEFIT OF FORMA INTEREST G.03		ncontested) SERVATION G.04	(Uncontested) BAD DEBTS G.05	(Uncon MISCELL OPERATING G.	ANEOUS G EXPENSE	(Uncontested) PROPERTY TAXES G.07
3 4	OPERATING REVENUES SALES TO CUSTOMERS MUNICIPAL ADDITIONS OTHER OPERATING REVENUES	\$	829,271,796 \$ 34,729,596 15,438,897	114,323,290 (34,729,596)	\$	\$ -	\$	- (5 - \$		- s	
5 6	TOTAL OPERATING REVENUES	\$	879,440,289 \$	1,916,844 81,510,538	\$ -	\$ •	\$	- S	s - \$		- S	
7 8 9	OPERATING REVENUE DEDUCTIONS										- 4	-
10 11	GAS COSTS:											
12 13	PURCHASED GAS	\$	539,655,901 \$	91,599,470	\$ -	\$ 	\$	- \$	s - \$		- \$	
14 15	TOTAL PRODUCTION EXPENSES	\$	539,655,901 \$	91,599,470	3 -	\$ •	\$	- s	5 - S		- s	
16 17 18	OTHER ENERGY SUPPLY EXPENSES TRANSMISSION EXPENSE DISTRIBUTION EXPENSE	\$	1,520,542 \$ 445,738 33,307,919	- :	-	\$ - :	\$	- \$	- \$		- \$	
19 20 21	CUSTOMER ACCTS EXPENSES CUSTOMER SERVICE EXPENSES CONSERVATION AMORTIZATION		22,239,694 3,914,552	277,369					363,605			
22 23 24	ADMIN & GENERAL EXPENSE DEPRECIATION AMORTIZATION		3,454,161 36,522,434 64,997,955	154,870				(3,733,733)	<u>-</u>		(536)	
25 26	AMORTIZATION OF PROPERTY LOSS OTHER OPERATING EXPENSES		11,302,712 3,287 150,234	_							85,324	
27 28 29	FAS 133 TAXES OTHER THAN INCOME TAXES INCOME TAXES		83,922,287	(31,592,754)							1,420,883	
30 31	DEFERRED INCOME TAXES TOTAL OPERATING REV. DEDUCT.	\$	9,529,694 (4,023,283) 267,287,926 \$	7,375,054	(12,694,120) 12,203,333	6,778,498		1,306,807	(127,262)	÷	(526,985)	(722,193) 252,768
32 33	NET OPERATING INCOME	.s		(23,785,461) \$		6,778,498	S	(2,426,926) \$	236,343 \$		978,686 \$	(469,425)
34 35	RATE BASE	\$	72,496,462 \$ 1,179,240,567	13,696,529 \$	490,787	\$ (6,778,498) \$	\$	2,426,926 \$	(236,343) \$		(978,686) \$	469,425
	RATE OF RETURN		6.15%						. \$		2,857,353	•
38 39 40	RATE BASE: UTILITY PLANT IN SERVICI	\$	2,007,347,617 \$:								
41 42 43	ACCUMULATED DEPRECIATION ACCUMULATED DEFERRED FIT - LIBERALIZE OTHER	.*	(650,335,811) (174,512,354) (14,234,907)	- \$	· - .	\$ - \$	3	- \$	- \$		2,912,989 \$ (55,636)	· •
44 45 46	TOTAL NET INVESTMENT ALLOWANCE FOR WORKING CAPITAL TOTAL RATE BASE	\$	1,168,264,545 \$ 10,976,022	- \$	<u>.</u>	\$ -· \$	3	- \$	- \$		2,857,353 \$	-
	- OTTE ACCE DIAGE	\$	1,179,240,567 \$	- \$		\$ - \$	<u> </u>	- \$	- \$		2,857,353 \$	

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REVISED 9/12/06

	1 2 3		G.0	FEE 08	G.09	PROPERTY& LIABILITY INS G.10		ENSION PLAN G.11	WAGE INCREASE G.12	INVESTMENT PLAN G.13	EMPLOYEE INSURANCE G.14	(Uncontested) INCENTIVE PAY
		OPERATING REVENUES								U.13	G.14	G.15
	3	SALES TO CUSTOMERS	· \$	- \$	- :							
		MUNICIPAL ADDITIONS		•	• ,	-	\$	- \$	- \$	- \$	_	s .
	4	OTHER OPERATING REVENUES										
	5	TOTAL OPERATING REVENUES	\$	- \$	- :							
	6			•	- ,	-	\$	- \$	- \$	- \$	-	\$.
	7											
	8	OPERATING REVENUE DEDUCTIONS:										
	9.											
	10	GAS COSTS:										
	11											
	12	PURCHASED GAS	\$.	- \$								
	13		•	- #	- \$		\$	- \$	\$	- \$	-	\$
	14	TOTAL PRODUCTION EXPENSES	\$									•
	15		Ψ	- \$	- \$	-	\$	- \$	- \$	- \$	•	•
	16	OTHER ENERGY SUPPLY EXPENSES	\$	¢.								•
	- 17	TRANSMISSION EXPENSE	. •	- \$	- \$	-	\$	- \$	52,231 \$	- \$		\$ (16,973)
	18	DISTRIBUTION EXPENSE							11,946	. •		(3,536)
	19	CUSTOMER ACCTS EXPENSES							1,067,461			(297,042)
	20	CUSTOMER SERVICE EXPENSES				•			448,267			(106,657)
	21	CONSERVATION AMORTIZATION							65,719			(21,700)
	22	ADMIN & GENERAL EXPENSE		(1.544)								(21,700)
	23	DEPRECIATION		(1,544)	121,202	(190,680)		2,466,940	467,438	95,575	643,825	(174,502)
	24	AMORTIZATION								,	,	(174,302).
	25	AMORTIZATION OF PROPERTY LOSS										
	26	OTHER OPERATING EXPENSES										
	27	FAS 133										
	28	TAXES OTHER THAN INCOME TAXES		(505 410)								
	29	INCOME TAXES		(597,418)					134,252			(43,180)
	30	DEFERRED INCOME TAXES		209,637 \$	(42,421)	66,738		(863,429)	(786,560)	(33,451)	(225,339)	232,257
	31	TOTAL OPERATING REV. DEDUCT.	\$ ((200 225)					. , ,	(00,101)	(223,339)	232,237
	32	TO THE STATE OF TH	• ((389,325) \$	78,781 \$	(123,942)	\$	1,603,511 \$	1,460,754 \$	62,124 \$	418,486	\$ (431,333)
	33	NET OPERATING INCOME	•							, ,	110,100	(431,333)
	34	THE STEED WITHOUT THE STEED ST	\$	389,325 \$	(78,781) \$	123,942	\$	(1,603,511) \$	(1,460,754) \$	(62,124) \$	(418,486)	\$ 431,333
	35	RATE BASE								(,:-:) •	(410,400)	431,333
	36											
	37	RATE OF RETURN										
	38											
	39	RATE BASE:										
A	40	UTILITY PLANT IN SERVICE	\$	- \$	- \$	- ;	\$	- \$	- \$			
Attachment Page 14	41 42	ACCUMULATED DEPRECIATION				•	-	- 5	- 2	- \$	- :	-
ag ag	43	ACCUMULATED DEFERRED FIT - LIBERALIZED OTHER										
e B	44	TOTAL NET INVESTMENT	\$									
en: 14	45	ALLOWANCE FOR WORKING CAPITAL	J	- \$	- \$	-	\$	- \$	- \$	- \$		·
Ϋ́	46	TOTAL RATE BASE	\$	- \$.	- \$		6					
-				- Ψ	- 3	- (3	- \$	- \$	- \$	- 9	-

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Page

REVISED 9/11/06

SALES TO CUSTOMERS	LIN NO		I	(Uncontested) NTEREST ON OMER DEPOSITS G.16	(Uncontested) DEFERRED GAINS/ LOSSES PROP SALES G.17	(Uncontested GENERAL OFF RELOCATIO G.18	ICE LOW N AMOR	contested) / INCOME RTIZATION G.19	(Contested) D&O INSURANCE G.20	(Uncontested) EVERETT DELTA G.21	(Uncontested) SPIRIT RIDGE ADJUSTMENT G.22	(Uncontested) TOTAL ADJUSTMENTS	(Uncontested) ADJUSTED RESULTS OF OPERATIONS
MUNICIPAL ADDITIONS	2		•								***************************************		
	4	MUNICIPAL ADDITIONS OTHER OPERATING REVENUES		·						(238,214) \$	- \$	(34,729,596)	\$ 943,356,872
OPERATING REVENUE DEDUCTIONS:	6	TO THE OF ERGITING REVENUES	. \$	•	\$. \$	-		\$ - 9	(238 214) \$			
	7								•	(250,214) \$	- \$	81,272,324	\$ 960,712,613
PRICHASED GAS	_	OPERATING REVENUE DEDUCTIONS:											
TOTAL PRODUCTION EXPENSES \$ \$ \$ \$ \$ \$ \$ \$ \$		GAS COSTS:											
TOTAL PRODUCTION EXPENSES \$ \$ \$ \$ \$ \$ \$ \$ \$	13		\$	-						\$	- \$	91,599,470	\$ 631 255 371
1		TOTAL PRODUCTION EXPENSES	\$	• ;	5	•							031,235,371
TRANSMISSION EXPENSES 131,750 1.55,800 3.52,88 1.55,800 3.60,800		OMITTE TO THE TAX OF			-	9	-		\$ - \$	- \$	- \$	91,599,470	\$ 631,255,371
15 CUSTOMER SERVINES 131,750	17	TRANSMISSION EXPENSE				•				\$	- \$	35,258	
CUSTOMER SERVICE EXPENSES												8,410	
CONSERVATION AMORTIZATION CONSERVATION CONSERVATION AMORTIZATION CONSERVATION CONSERV				131,750							-	770,419	
ADMIN & GENERAL EXPENSE 1,540,045 326,767								(2.005.062)		•		1,114,334	23,354,028
1,540,045 1,540,045 1,34								(2,075,002)					1,863,509
AMORTIZATION OF PROPERTY LOSS						1.540.0	045		(326.767)				(279,572)
AMORTIZATION OF PROPERTY LOSS OTHER OPERATING EXPENSES OTHER THAN INCOME TAXES OTHER OPERATING EXPENSES OTHER THAN INCOME TAXES OTHER THAN INCOME TAXES OTHER OPERATING INCOME TAXES OTHER OPERATING REV. DEDUCT. \$ 131,750 \$ (456,881) \$ 914,887 \$ (1,361,790) \$ (212,399) \$ (83,375) \$ \$ (1,243,943) \$ (1,969,552) \$ (1,969,552) \$ (1,746,177) \$ \$ (1,746,17									(320,707)	-			41,318,300
Company Comp							,					(41,961)	64,955,994
FAS 133 TAXES OTHER THAN INCOME TAXES TAXES OTHER THAN INCOME TAXES TAXES OTHER THAN INCOME TAXES DEFERRED INCOME TAXES 1 TOTAL OPERATING REV. DEDUCT. S 131,750 S (456,881) S 914,887 S (1,361,790) S (212,399) S (83,375) S S (1,439,838) S 1,439,830 S 1,439,833 S 1,800,505 TOTAL OPERATING INCOME S (131,750 S (456,881) S 914,887 S (1,361,790) S (212,399) S (83,375) S S (1,756,825) S 249,720,101 TOTAL OPERATING INCOME S (131,750 S (456,881) S 914,887 S (1,361,790) S (212,399) S (83,375) S S (1,746,782) S 249,720,101 TOTAL OPERATING INCOME S (131,750 S 456,881) S (914,887) S 1,361,790 S 212,399 S (154,839) S S 7,240,679 S 7,240,679 S 7,737,141 TOTAL OPERATING INCOME S (131,750 S 456,881) S (914,887) S 1,361,790 S 212,399 S (154,839) S S S 7,240,679 S 7,737,141 TOTAL OPERATING INCOME S (131,750 S 456,881) S (914,887) S 1,361,790 S 212,399 S (154,839) S S S 7,240,679 S 7,737,141 TOTAL OPERATING INCOME S (131,750 S 456,881) S (914,887) S 1,361,790 S 212,399 S (154,839) S S S 7,240,679 S 7,374,071 TOTAL OPERATING INCOME S (131,750 S 1,111,76 S 1,111,7													
TAXES OTHER THAN INCOME TAXES 1.095,753 1.095,75				4	(702,893)								
NCOME TAXES												/1/,990	868,224
DEFERRED INCOME TAXES 10TAL OPERATING REV. DEDUCT. \$ 131,750 \$ (456,881) \$ 914,887 \$ (1,361,790) \$ (212,399) \$ (83,375) \$. \$ 1,439,838 10,959,532 112,203,333 8,180,050 122,203,203,203,203,203,203,203,203,203,2		INCOME TAXES				(5,2	241)			0		(22.02(.52.1)	•
TOTAL OPERATING REV. DEDUCT. S 131,750 S (456,881) S 914,887 S (1,361,790) S (212,399) S (83,375) S S (17,567,825) S 12,203,333 S 18,180,050 33 NET OPERATING INCOME S (131,750) S 456,881 S (914,887) S 1,361,790 S 212,399 S (154,839) S S 7,240,679 S 79,737,141 34 RATE BASE S - S (1,746,177) S S S S S S S S S S S S S S S S S S	30				246,013	(492,6	532)	733,272	114,369				
Second Color Seco	31		5	121.750 6		·							
NET OPERATING INCOME \$ (131,750) \$ 456,881 \$ (914,887) \$ 1,361,790 \$ 212,399 \$ (154,839) \$ - \$ 7,240,679 \$ 7,240,679 \$ 79,737,141 35 RATE BASE \$ - \$ (1,746,177) \$ \$ - \$ - \$ 1,111,176 \$ 1,180,351,743 37 RATE OF RETURN 38 39 RATE BASE: 40 UTILITY PLANT IN SERVICE 41 ACCUMULATED DEPERCIATION 42 ACCUMULATED DEFERRED FIT - LIBERALIZED 43 OTHER 44 TOTAL NET INVESTMENT 45 ALLOWANCE FOR WORKING CAPITAL 46 TOTAL RATE BASE \$ (131,750) \$ 456,881 \$ (914,887) \$ 1,361,790 \$ 212,399 \$ (154,839) \$ - \$ 7,240,679 \$ \$ 79,737,141 \$ (1,746,177) \$ - \$ - \$ (1,746,177) \$ - \$ - \$ (1,746,177) \$ - \$ - \$ - \$ - \$ (1,746,177) \$ - \$ - \$ - \$ - \$ (1,746,177) \$ - \$ - \$ - \$ - \$ (1,746,177) \$ - \$ - \$ - \$ - \$ (1,746,177) \$ - \$ - \$ - \$ - \$ (1,746,177) \$ - \$ - \$ - \$ - \$ (1,746,177) \$ - \$ - \$ - \$ - \$ (1,746,177) \$ - \$ - \$ - \$ - \$ (1,746,177) \$ - \$ - \$ - \$ - \$ (1,746,177) \$ - \$ - \$ - \$ - \$ - \$ (1,746,177) \$ - \$ - \$ - \$ - \$ (1,746,177) \$ - \$ - \$ - \$ - \$ (1,746,177) \$ - \$ - \$ - \$ - \$ (1,746,177) \$ - \$ - \$ - \$ - \$ - \$ - \$ (1,746,177) \$ - \$ - \$ - \$ - \$ - \$ - \$ (1,746,177) \$ - \$ - \$ - \$ - \$ - \$ - \$ (1,746,177) \$ - \$ - \$ - \$ - \$ - \$ - \$ (1,746,177) \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$	32		•	151,/50 3	(456,881)	\$ 914,8	387 \$	(1,361,790)	\$ (212,399) \$	(83,375) \$	- \$		
34	33	NET OPERATING INCOME	S	(131.750) \$	456.001							(,,,	247,720,101
\$ RATE OF RETURN 37 RATE OF RETURN 38 S S 1,111,176 \$ 1,180,351,743 38	35	RATE BASE		(131,730)	456,881	(***)	•	1,361,790	212,399 \$	(154,839) \$	- s	7,240,679	79,737,141
37 RATE OF RETURN 38 6.76% 39 RATE BASE: 40 UTILITY PLANT IN SERVICE 41 ACCUMULATED DEPRECIATION 42 ACCUMULATED DEFERRED FIT - LIBERALIZED 43 OTHER 44 TOTAL NET INVESTMENT 5 - \$ (1,746,177) \$ - \$ - \$ - \$ (1,746,177) \$ - \$ - \$ 1,111,176 \$ 1,169,375,721 \$ 1,0976,022 \$ 1,0976,022			Ť			\$ (1,746,1	177)			\$	- \$	1,111,176	1.180.351.743
ACCUMULATED DEFERRED FIT - LIBERALIZED		RATE OF RETURN											. ,
41 ACCUMULATED DEPRECIATION 42 ACCUMULATED DEFRECIT - LIBERALIZED 43 OTHER 44 TOTAL NET INVESTMENT 45 ALLOWANCE FOR WORKING CAPITAL 46 TOTAL RATE BASE 48 COMULATED DEFRECATION 5 (3,814,231) 5 (3,814,231) 5 (3,814,231) 5 (3,814,231) 5 (3,814,231) 5 (3,814,231) 5 (3,814,231) 5 (3,814,231) 5 (901,242) 5 (2,006,446,375 1,503,898 (648,831,913) 6 (48,831,913) 6 (48,831,913) 6 (48,831,913) 6 (174,003,834) 6 (48,81,913) 6 (174,003,834) 6 (174,003,83	39												6.76%
42 ACCUMULATED DEFERRED FIT - LIBERALIZED 43 OTHER 44 TOTAL NET INVESTMENT 45 ALLOWANCE FOR WORKING CAPITAL 46 TOTAL RATE BASE 48 CCUMULATED DEFERRED FIT - LIBERALIZED 49 (301,329) 40 (174,033,834) 41 (174,003,834) 42 (174,003,834) 43 (174,003,834) 44 TOTAL RATE BASE 49 (301,329) 50 (174,017) 50 (1,746,177) 50 (1,746,			\$	-		\$ (3,814,2	231)			¢	¢	(001.010)	
43 OTHER 44 TOTAL NET INVESTMENT 5 - \$ - \$ (1,746,177) \$ - \$ - \$ - \$ (1,4234,907) 45 ALLOWANCE FOR WORKING CAPITAL 46 TOTAL RATE BASE 5 - \$ - \$ (1,746,177) \$ - \$ - \$ - \$ 1,111,176 \$ 1,169,375,721 - 10,976,022		ACCUMULATED DEFERRED FIT - I IBERALIZED		•						J	3		-11
44 TOTAL NET INVESTMENT \$ - \$ (1,234,907) 45 ALLOWANCE FOR WORKING CAPITAL 46 TOTAL RATE BASE \$ - \$ (1,746,177) \$ - \$ - \$ - \$ 1,111,176 \$ 1,169,375,721 5 - \$ - \$ (1,746,177) \$ - \$ - \$ - \$ 1,111,176 \$ 1,169,375,721	43	OTHER		•		508,5	20						
45 ALLOWANCE FOR WORKING CAPITAL 46 TOTAL RATE BASE \$ -\$ -\$ (1.746.177) \$ -\$ -\$. \$. 1,111,176 \$ 1,169,375,721 \$ 10,976,022			\$	- \$		\$ (1746)	77) 6						
(1.746.177) \$ \$ \$ \$ 10.976,022		ALLOWANCE FOR WORKING CAPITAL TOTAL RATE BASE	•					- \$	- \$	- \$	- \$	1,111,176 \$	1,169,375,721
	_		3	- <u>\$</u>	-	\$ (1,746,1	77) \$	- \$	- \$	- \$	- \$	1,111,176 \$	1,180,351,743

ATTACHMENT B

Docket Numbers UE-060266
Exhibit No. (JHS-20)
Summary

PUGET SOUND ENERGY-ELECTRIC RESULTS OF OPERATIONS FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2005 GENERAL RATE INCREASE

LINI NO			UAL RESULTS OPERATION	Α	TOTAL DJUSTMENTS		ADJUSTED RESULTS OF OPERATIONS	I	REVENUE REQUIREMENT DEFICIENCY		AFTER RATE INCREASE
1	OPERATING REVENUES:										
2	SALES TO CUSTOMERS	\$	1,397,539,936	•	216.004						
3	SALES FROM RESALE-FIRM	•	350,901	ъ	315,071,416	\$	1,712,611,352	\$	33,472,231	\$	1,746,083,583
4	SALES TO OTHER UTILITIES		151,158,328		127,722		478,623		-		478,623
5	OTHER OPERATING REVENUES		55,899,367		(142,081,018)		9,077,310				9,077,310
6	TOTAL OPERATING REVENUES		1,604,948,532		(19,712,724)		36,186,643				36,186,643
7			1,004,540,552		153,405,396		1,758,353,928		33,472,231		1,791,826,159
8	OPERATING REVENUE DEDUCTIONS:										
9											
10	POWER COSTS:										
11	FUEL	\$.	75,039,758	\$	11 500 500	_					
12	PURCHASED AND INTERCHANGED	Ψ .	808,898,950	Ф	11,799,730	\$	86,839,488	\$	•	\$	86,839,488
13	WHEELING		43,994,427		(68,778,949)		740,120,001				740,120,001
14	RESIDENTIAL EXCHANGE		,		14,150,625		58,145,052				58,145,052
15	TOTAL PRODUCTION EXPENSES		(177,350,021)		177,350,021						
16	DATE OF THE PART ENGLS		750,583,114		134,521,427		885,104,541		-		885,104,541
17	OTHER POWER SUPPLY EXPENSES	\$, ,
18	TRANSMISSION EXPENSE	3		\$	24,567,467	\$	77,752,604			s	77,752,604
19	DISTRIBUTION EXPENSE		3,786,749		369,362		4,156,111				4,156,111
20	CUSTOMER ACCOUNT EXPENSES		56,397,075		5,396,061		61,793,136				61,793,136
21	CUSTOMER SERVICE EXPENSES		32,311,231		3,856,520		36,167,751		153,059		36,320,810
22	CONSERVATION AMORTIZATION		9,266,102		(7,727,470)		1,538,632				1,538,632
23	ADMIN & GENERAL EXPENSE		18,233,848		(18,233,848)		-				•
24	DEPRECIATION		64,934,552		9,445,296		74,379,848		63,597		74,443,445
25	AMORTIZATION		129,900,123		21,488,530		151,388,653				151,388,653
26	AMORTIZ OF PROPERTY GAIN/LOSS		24,582,050		566,304		25,148,354				25,148,354
27	OTHER OPERATING EXPENSES		7,937,131		(3,180,069)		4,757,062				4,757,062
28	FAS 133		(2,317,679)		2,085,161		(232,518)				(232,518)
29	· · · · · · · · · · · · · · · · · · ·		911,373		(911,373)		•				(202,510)
30	TAXES OTHER THAN INCOME TAXES INCOME TAXES		140,165,789		(29,864,137)		110,301,652		1,290,452		111,592,104
31			101,303,182		(15,077,054)		86,226,128		11,187,792		97,413,920
32	DEFERRED INCOME TAXES		(17,512,885)		17,349,292		(163,593)		,,-,-		
33	TOTAL OPERATING REV. DEDUCT.	\$	1,373,666,892	\$	144,651,470	\$		5	12,694,900	s	(163,593) 1,531,013,261
	NEW CORP.						. ,		12,051,500	•	1,551,015,201
34	NET OPERATING INCOME	\$	231,281,640		8,753,927		240,035,567		20,777,331		260 012 000
35							= 10,000,007		20,///,331		260,812,898
36	RATE BASE	\$	2,513,582,619	\$	463,733,574	\$	2,977,316,193				2005 244 444
37	-						_,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,		-	s	2,977,316,193
38	RATE OF RETURN		9.20%				8.06%				0.74
39							0.0070				8.76%
40	RATE BASE:										
41	GROSS UTILITY PLANT IN SERVICE	\$	4,571,527,301	\$	567,925,996	\$	5,139,453,298				
42	ACCUM DEPR AND AMORT		(1,971,832,341)		(13,085,187)	•	(1,984,917,528)				
43	DEFERRED DEBITS		353,317,604		(48,376,550)		304,941,054				
44	DEFERRED TAXES		(387,242,755)		(42,730,686)						
45	ALLOWANCE FOR WORKING CAPITAI		-		(12,730,000)		(429,973,441)				
46	OTHER		(52,187,190)		-		(60 107 100)				
47	TOTAL RATE BASE	\$		\$	463,733,574	\$	(52,187,190)				
48	:		,,,-,	-	703,733,374	o o	2,977,316,193				

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PUGET SOUND ENERGY-ELECTRIC STATEMENT OF OPERATING INCOME AND ADJUSTMENTS FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2005

RESTATING AND PRO FORMA ADJUSTMENTS

			NCONTESTED	****	RESTA	ΓINC	S AND PRO FORM	MA A	DJUSTMENTS								
		· ·	CONTESTED		CONTESTED >>>>>>	J >>>>	NCONTESTED	>>>>	CONTESTED	Ul	NCONTESTED		UNCONTESTED	U	NCONTESTED	UNC	ONTESTED
LIN), 		AL RESULTS OF PERATIONS		IPERATURE MALIZATION 20.01		REVENUES & EXPENSES 20.02		POWER COSTS 20.03		FEDERAL NCOME TAX 20.04	Т	UNCONTESTED >>>>>>>>>>>>>>>>>>>>>>>>>>>>>>>>>>>	>>>> C(>>>>>>>>>>>>>>>>>>>>>>>>>>>>>>>>>>>>>>		P>>>>>> BAD DEBTS 20.07
1	OPERATING REVENUES														************		
. 2	COLOMBIA	\$	1,397,539,936	\$.	11,954,453	\$	303,116,963	s		\$							
4	SALES FROM RESALE-FIRM		350,901		5,605		122,117	•	•	Þ	-	\$	•	\$	- :	\$	-
5	SALES TO OTHER UTILITIES		151,158,328						(142,081,018)								
6	OTHER OPERATING REVENUES		55,899,367				908,826		(20,621,550)								
7	TOTAL OPERATING REVENUES	\$	1,604,948,532	\$	11,960,058	\$		-\$	(162,702,568)	S		•		_	·····		
8	ODED A TRIC DELICATION OF THE PROPERTY OF THE								(,,,,	•	_	Þ	-	\$	- "\$	\$	=
9	OPERATING REVENUE DEDUCTIONS:																
10	POWER COSTS:																
11	FUEL	_															
12		\$	75,039,758	\$	-	\$	-	\$	14,577,072	\$	-	s	-	•			
13	PURCHASED AND INTERCHANGED WHEELING		808,898,950						(75,817,930)			•	-	3	- \$	6	-
14	RESIDENTIAL EXCHANGE		43,994,427						9,913,467								
15			(177,350,021)						177,350,021								
16	TOTAL PRODUCTION EXPENSES	\$	750,583,114	\$	-	\$	-	\$	126,022,629	s	-	•		_			
17	OTHER ROWER GURRY WAS A								.,,	•		Φ	-	2	- \$	3	-
18	OTHER POWER SUPPLY EXPENSES TRANSMISSION EXPENSE	\$	53,185,137	\$	-	\$	-	\$	9,690,879	s	-	\$	•	•	_		
19			3,786,749						257,787	*	_	Φ	-	3	- \$;	-
20	DISTRIBUTION EXPENSE		56,397,075						,								-
21	CUSTOMER ACCTS EXPENSES		32,311,231		54,690		1,390,782										-
22	CUSTOMER SERVICE EXPENSES CONSERVATION AMORTIZATION		9,266,102														1,606,696
23	ADMIN & GENERAL EXPENSE		18,233,848												(10.222.040)		
24	DEPRECIATION		64,934,552		22,724		577,881								(18,233,848)		
25	AMORTIZATION		129,900,123														
26			24,582,050														
27	AMORTIZ OF PROPERTY GAIN/LOSS OTHER OPERATING EXPENSES		7,937,131														
28	FAS 133		(2,317,679)														
29			911,373														
30	TAXES OTHER THAN INCOME TAXES INCOME TAXES		140,165,789		461,095		(34,215,282)		(37,225)								
31	DEFERRED INCOME TAXES		101,303,182		3,997,542		117,738,084		(104,522,824)		(21,216,124)		2,391,139		6,381,847		(5(0.040)
32	TOTAL OPERATING REV. DEDUCT.		(17,512,885)						•		17,030,311		2,571,157		0,361,647		(562,344)
33	TOTAL OF ERATING REV. DEDUCT.	\$	1,373,666,892	\$	4,536,051	\$	85,491,465	\$	31,411,247	\$	(4,185,813)	\$	2,391,139	\$	(11,852,001) \$		1.044.262
34	NET OPERATING INCOME												_,,,,,,,	Ψ	(11,052,001)		1,044,352
35	NET OFERATING INCOME	\$	231,281,640	\$	7,424,007	\$	218,656,441	\$	(194,113,815)	\$	4,185,813	\$	(2,391,139)	¢	11,852,001 \$		(1.044.252)
36	RATE BASE		242										(2,5)1,15)	Ф	11,652,001 \$		(1,044,352)
37	KATE BASE	\$	2,513,582,619											\$	(28,822)		
38	RATE OF RETURN													Ψ	(20,022)		
39	or included		9.20%														
40	RATE BASE:						•										
41	GROSS UTILITY PLANT IN SERVICE																
42	ACCUM DEPR AND AMORT	\$	4,571,527,301	\$	-	\$	-	\$	•	\$	- 5	\$		\$	- S		
43	DEFERRED DEBITS		(1,971,832,341)												- 3		-
44	DEFERRED TAXES		353,317,604												(28,822)		
45	ALLOWANCE FOR WORKING CAPITAL		(387,242,755)						•						(-0,022)		
46	OTHER		· · · · · · · · · · · · · · · · · · ·														
47	TOTAL RATE BASE	\$	(52,187,190)														
48		9 .	2,513,582,619)		\$	- :	\$	- :	\$	- \$;	- (S	(28,822) \$		-
70															· · · · · · · · · · · · · · · · · · ·		

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PUGET SOUND ENERGY-ELECTRIC

STATEMENT OF OPERATING INCOME AND ADJUSTMENTS FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2005

RESTATING AND PRO FORMA ADJUSTMENTS

		UN >>>>>	CONTESTED	UNCONTESTER) IIN	CONTESTED	FIR	RMA ADJUSTI CONTESTED				UNCONTESTED	UNCONTESTED	UN	NCONTESTED UN	NCONTESTEN
LINE NO.		MIS OPER	CELLANEOUS ATING EXPENSE 20.08	PROPERTY TAXES 20.09		PKINS RIDGE IND PLANT 20.10				>>>>>>> D&O SURANCE 20.12	>>> M	UNCONTESTED >>>>>>>>> ONTANA ELECTRIC ENERGY TAX 20.13	INTEREST ON CUST DEPOSITS 20.14	>>>>	SFAS 133	RATE CASE EXPENSES
1 2	OPERATING REVENUES														20.15	20.16
3	SALES TO CUSTOMERS SALES FROM RESALE-FIRM	\$	- 5	\$.			\$		\$	-	s	- 5		_		
4	SALES TO OTHER UTILITIES										•		•	\$	- \$	-
5	OTHER OPERATING REVENUES															
.6	TOTAL OPERATING REVENUES	\$	- 5	5	\$		\$	····								
7 8 9	OPERATING REVENUE DEDUCTIONS:				¥	•	3		\$		\$	- \$	-	\$	- \$	
10	POWER COSTS:															
11	FUEL	\$	- \$:												
12 13	PURCHASED AND INTERCHANGED WHEELING		- .	,		1,653,530	\$	•	\$	- :	\$	- \$	•	\$	- \$	-
14	RESIDENTIAL EXCHANGE					.,055,550										
15 16	TOTAL PRODUCTION EXPENSES	\$	- \$	-	\$	1,653,530	\$		\$		<u>s</u>	- \$				
.17	OTHER POWER SUPPLY EXPENSES								-	•	•	- 3	-	\$	- \$	-
18	TRANSMISSION EXPENSE	\$	- \$	•	\$	4,729,000	\$	-	\$	- 9	\$	- \$	-	\$	- \$	
19	DISTRIBUTION EXPENSE		983,429											•	- \$	•
20	CUSTOMER ACCTS EXPENSES		, , , ,													
21 22	CUSTOMER SERVICE EXPENSES												227,184			
23	CONSERVATION AMORTIZATION ADMIN & GENERAL EXPENSE															
24	DEPRECIATION		(964)			195,041		45,737		20,447						(524,179)
25	AMORTIZATION		87,231 593,319			7,099,187										(324,179)
26	AMORTIZ OF PROPERTY GAIN/LOSS		,,-													
27	OTHER OPERATING EXPENSES		2,057,240													
	FAS 133													\$	(011 272)	
30	TAXES OTHER THAN INCOME TAXES INCOME TAXES		745,360	(589,513)		768,326		545,515				(13,165)		Ð	(911,373)	
	DEFERRED INCOME TAXES		(1,562,965)	206,330		(5,055,779)		(206,938)		(7,156)		4,608			\$	183,463
	TOTAL OPERATING REV. DEDUCT.	\$	2,902,650 \$	(383,183)	\$	9,389,305	•	384,314		12.004					318,981	,
33			. , , ,	(===1103)	Ψ	7,569,505	Þ	364,314	•	13,291 \$		(8,557) \$	227,184	\$	(592,392) \$	(340,716)
34 35	NET OPERATING INCOME	\$	(2,902,650) \$	383,183	\$	(9,389,305)	\$	(384,314)	\$	(13,291) \$		8,557 \$	(227,184)	ç	592,392 \$	240.714
	RATE BASE	\$	20 572 002									5,557	(227,104)	Ф	374,374 \$	340,716
37		э	29,572,082		\$	147,154,987										
	RATE OF RETURN															
39																
	RATE BASE:															
41 42	GROSS UTILITY PLANT IN SERVICE	\$	30,069,858 \$	-	\$	177,479,678	\$	- \$	\$	- \$		- \$	-	•	- \$	
43	ACCUM DEPR AND AMORT DEFERRED DEBITS	\$	(497,777)			(13,226,358)							-	9	- 3	-
44	DEFERRED TAXES					8,742,500										
45	ALLOWANCE FOR WORKING CAPITAL					(25,840,833)										
46 47	OTHER FOTAL RATE BASE															
47	TOTAL RATE BASE	\$	29,572,082 \$		\$	147,154,987	\$	- \$		- \$	_	- \$	-	\$	- \$	
70											0.00					-

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PUGET SOUND ENERGY-ELECTRIC

STATEMENT OF OPERATING INCOME AND ADJUSTMENTS FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2005

RESTATING AND PRO FORMA ADJUSTMENTS

			CONTESTED	UN	CONTESTED IN	CONTECTE	7D 11	O FORMA ADJI NCONTESTED			UNC	CONTESTED	UNCONTESTED	U	NCONTESTED		UNCONTESTED
NO.	***************************************	DEFE PRO	ERRED G/L ON PERTY SALES 20.17		ROPERTY & ABILITY INS 20.18	PENSION PLAN 20.19	~~~~	WAGE INCREASE 20.20	>>>> IN	>>>>>>>> VESTMENT PLAN 20.21	E, P	*>>>>>> MPLOYEE SURANCE 20.22	UNCONTESTED >>>>>>>>>>>>>>>>>>>>>>>>>>>>>>>>>>>>	>>>> •	>>>>>>>>>>>>>>>>>>>>>>>>>>>>>>>>>>>>>>		>>>>>>>>>>>>>>>>>>>>>>>>>>>>>>>>>>>>>>
1 2	OPERATING REVENUES SALES TO CUSTOMERS							•••••••••••••••••••••••••••••••••••••••									20.25
3	SALES FROM RESALE-FIRM	\$	•	\$	- \$		- \$	•	\$	-	\$	- 5		- \$		•	
4	SALES TO OTHER UTILITIES											`	,	- 3	•	3	
5	OTHER OPERATING REVENUES																
6	TOTAL OPERATING REVENUES	\$	··········	\$	- \$			·									
7				•	- 5		- \$	•	\$	-	\$	- \$	3	- \$	-	\$	
8 9	OPERATING REVENUE DEDUCTIONS:																
10	POWER COSTS:																
11	FUEL	•															
12	PURCHASED AND INTERCHANGED	\$	-	\$	- \$		- \$	-	\$	- :	\$	- \$		- \$	-	\$	(2.702.752
13	WHEELING							101,827								Ψ	(2,783,753) 7,226,000
14	RESIDENTIAL EXCHANGE																7,220,000
15	TOTAL PRODUCTION EXPENSES	\$	-	\$	- \$		- \$	101.000	_					_			
16				•	- 3		- 3	101,827	\$	- :	\$	- \$		- \$	- :	\$	4,442,247
	OTHER POWER SUPPLY EXPENSES	\$		\$	- \$		- \$	475,978	•								
	TRANSMISSION EXPENSE				·		- 5	61,416	Ф	- 5	\$	- \$	•	- \$	- :	\$	-
	DISTRIBUTION EXPENSE							1,315,409							70,367		
	CUSTOMER ACCTS EXPENSES							743,838							3,400,410		
22	CUSTOMER SERVICE EXPENSES CONSERVATION AMORTIZATION							96,650									
23	ADMIN & GENERAL EXPENSE																
	DEPRECIATION				444,359	3,947,338	3	846,988		152,948		1,030,188					
	AMORTIZATION																
	AMORTIZ OF PROPERTY GAIN/LOSS																
	OTHER OPERATING EXPENSES		27,921												(3,166,751)		
	FAS 133		27,921														
29	TAXES OTHER THAN INCOME TAXES																
30	INCOME TAXES		(9,772)		(155,526)	(1,381,568	27	222,582 (1,352,641)		(52.525)							
	DEFERRED INCOME TAXES					(1,501,500	,,	(1,332,041)		(53,532)		(360,566)	167,307		(106,409)		(1,554,786)
	TOTAL OPERATING REV. DEDUCT.	\$	18,149	\$	288,833 \$	2,565,770	\$	2,512,047	\$	99,416 \$		669,622 \$	167,307	•	107 (17		
33 34	NET OPER ATRIC PAGE -							. ,				007,022 3	107,307	3	197,617 \$	5	2,887,461
35	NET OPERATING INCOME	\$	(18,149)	\$	(288,833) \$	(2,565,770) \$	(2,512,047)	\$	(99,416) \$	3	(669,622) \$	(167,307)	· •	(197,617) \$,	(0.00=)
	RATE BASE											, , , , , ,	(107,507)	, ψ	(197,017) \$	•	(2,887,461)
37	MATE DAGE														\$:	(54,943,645)
38	RATE OF RETURN														,		(34,243,043)
39																	
40	RATE BASE:																
41	GROSS UTILITY PLANT IN SERVICE	\$.	_	\$	- \$		- \$,	•								
42	ACCUM DEPR AND AMORT			-		•	- 3	- 5	Þ	- \$		- \$	-	\$	-		
43	DEFERRED DEBITS																
44	DEFERRED TAXES																(54,943,645)
45	ALLOWANCE FOR WORKING CAPITAL							-									-
46	OTHER																
	TOTAL RATE BASE	\$		\$	- \$		\$	- \$;	- \$		- \$	<u> </u>	\$	- \$		(64.040.415
48									-			· · · · · · · · · · · · · · · · · · ·	-	φ	- 3		(54,943,645)

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PUGET SOUND ENERGY-ELECTRIC STATEMENT OF OPERATING INCOME AND ADJUSTMENTS

FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2005

			CONTESTED	UNCON	TESTED	RESTATING A UNCONTESTED	ND PRO FORMA ADJU UNCONTESTED	STMENTS		UNCONTESTED	UNCONTESTED		
LIN		W W	VILD HORSE VIND PLANT 20.26	>>>>>> INCEN PA 20.	AY	GENERAL OFFICE RELOCATION 20.28	>>>>>>>>> OTHER AMORTIZATION 20.29	PRO	>>>>>>> D RESPONSE DGRAM 20.30	DEPRECIATION 20.31	PRODUCTION ADJUSTMENT 20.32	>>>>>>>> TOTAL ADJUSTMENTS	ADJUSTED RESULTS OF OPERATIONS
2 3 4 5 6	OPERATING REVENUES SALES TO CUSTOMERS SALES FROM RESALE-FIRM SALES TO OTHER UTILITIES OTHER OPERATING REVENUES TOTAL OPERATING REVENUES					\$ - 9					\$	\$ 315,071,416 \$ 127,722 (142,081,018) (19,712,724)	1,712,611,352 478,623 9,077,310 36,186,643
7 8 9	OPERATING REVENUE DEDUCTIONS:					\$ - \$	· · · · · · · · · · · · · · · · · · ·	\$	•	\$	\$ -		1,758,353,928
10 11 12	FUEL												
13 14	PURCHASED AND INTERCHANGED WHEELING RESIDENTIAL EXCHANGE		2,621,721		(39,976)						6,411 (248,869) (38,092)	\$ 11,799,730 \$ (68,778,949) 14,150,625	86,839,488 740,120,001 58,145,052
15 16	TOTAL PRODUCTION EXPENSES	\$	2,621,721	\$	(39,976)	- \$	-	\$	•	\$.	\$ (280,551) 5	177,350,021 134,521,427 \$	885,104,541
17 .18 19	OTHER POWER SUPPLY EXPENSES TRANSMISSION EXPENSE DISTRIBUTION EXPENSE	\$	9,921,354		(20,208)						\$ (133,742) \$		77,752,604 4,156,111
20 21 22	CUSTOMER ACCTS EXPENSES CUSTOMER SERVICE EXPENSES CONSERVATION AMORTIZATION			(303,188) 166,670) (30,356)		(7,793,764)		0			5,396,061 3,856,520	61,793,136 36,167,751
23	ADMIN & GENERAL EXPENSE		264,209	(3	316,322)	2,768,979						(7,727,470) (18,233,848)	1,538,632
24 · 25 26	DEPRECIATION AMORTIZATION AMORTIZ OF PROPERTY GAIN/LOSS		15,066,967			(228,856)					(30,077) (535,998) (27,014)	9,445,296 21,488,530 566,304	74,379,848 151,388,653
27 28	OTHER OPERATING EXPENSES FAS 133						•				(13,318)	(3,180,069) 2,085,161	25,148,354 4,757,062 (232,518)
29 30 31	TAXES OTHER THAN INCOME TAXES INCOME TAXES DEFERRED INCOME TAXES		2,457,440 (10,616,092)		(69,094) 371,635	(9,422) (885,745)	2,727,818		0	-	(130,755) 363,942	(911,373) (29,864,137) (15,077,054)	110,301,652 86,226,128
32 33	TOTAL OPERATING REV. DEDUCT.	\$	19,715,599	\$ (6	590,180) S	1,644,955 \$	(5,065,947)	**************	\$0	\$ - :	(787,513) \$	17,349,292 144,651,470 \$	(163,593) 1,518,318,362
34 35	NET OPERATING INCOME	\$	(19,715,599)	\$ 6	590,180 \$	(1,644,955) \$	5,065,947		\$0	s -	787,513 \$	8,753,927 \$	240,035,567
36 37	RATE BASE	\$	356,220,868		\$	(3,139,603)			:	\$ -	(11,102,293) \$	463,733,574 \$	2,977,316,193
38 39	RATE OF RETURN												8.06%
40	RATE BASE:												
41 42 43	GROSS UTILITY PLANT IN SERVICE ACCUM DEPR AND AMORT DEFERRED DEBITS	\$	383,253,789 (8,090,394)		\$	(6,857,933) 2,804,020				• •	(16,019,396) \$ 5,925,322	567,925,996 \$ (13,085,187)	5,139,453,298 (1,984,917,528)
44 45	DEFERRED TAXES ALLOWANCE FOR WORKING CAPITAL		(18,942,527)			914,310					(2,146,583) 1,138,364	(48,376,550) (42,730,686)	304,941,054 (429,973,441)
46 47 48	OTHER TOTAL RATE BASE	\$	356,220,868	\$	- \$	(3,139,603) \$	-	\$	- 9	- \$	(11,102,293) \$	463,733,574 \$	(52,187,190) 2,977,316,193

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PUGET SOUND ENERGY-ELECTRIC POWER COSTS FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2005 GENERAL RATE INCREASE

						INCREASE
D. DESCRIPTION		ACTUAL		PROFORMA		(DECREASE)
SALES FOR RESALE		151,158,328	\$	9,077,310	\$	(142,081,018)
PURCHASES/SALES OF NON-CORE GAS WHEELING FOR OTHERS		20,154,644 11,340,015		<i>499,969</i> 10.373.140		(19,654,675) (966,875)
		31,494,659		10,873,109		(20,621,550)
TOTAL OPERATING REVENUES		182,652,987		19,950,419		(162,702,568)
FUEL	\$	72,975,508	\$	87,552,580	\$	14,577,072
PURCHASED AND INTERCHANGED RATE DISALLOWANCES FOR MARCH POINT 2 AND TENASKA		788,255,330		724,228,155 (11,790,755)		(64,027,175) (11,790,755)
SUBTOTAL PURCHASED AND INTERCHANGED WHEEL ING	\$		\$	712,437,400	\$	(75,817,930)
SCH. 94 - RES./FARM CREDIT				53,907,894		9,913,467 177,350,021
	\$	727,875,244	\$		\$	126,022,629
TRANS. EXP. INCL. 500KV O&M		53,185,137 604,461		862,248		9,690,879 257,787
TOTAL OPERATING EXPENSES	\$	781,664,842	\$	917,636,138	\$	135,971,296
INCREASE (DECREASE) OPERATING INCOME (LINE 7 - LINE 2	\$	(599,011,855)	\$	(897,685,718)	\$	(298,673,863)
		3.85%			<i>\$</i>	(37,225) (298,636,639)
		35%		-		(104,522,824)
	PURCHASES/SALES OF NON-CORE GAS WHEELING FOR OTHERS TOTAL OPERATING REVENUES FUEL PURCHASED AND INTERCHANGED RATE DISALLOWANCES FOR MARCH POINT 2 AND TENASK, SUBTOTAL PURCHASED AND INTERCHANGED WHEELING SCH. 94 - RES./FARM CREDIT TOTAL PRODUCTION EXPENSES HYDRO AND OTHER POWER TRANS. EXP. INCL. 500KV O&M TOTAL OPERATING EXPENSES	SALES FOR RESALE PURCHASES/SALES OF NON-CORE GAS WHEELING FOR OTHERS TOTAL OPERATING REVENUES FUEL PURCHASED AND INTERCHANGED RATE DISALLOWANCES FOR MARCH POINT 2 AND TENASK, SUBTOTAL PURCHASED AND INTERCHANGED WHEELING SCH. 94 - RES./FARM CREDIT TOTAL PRODUCTION EXPENSES HYDRO AND OTHER POWER TRANS. EXP. INCL. 500KV O&M TOTAL OPERATING EXPENSES INCREASE (DECREASE) OPERATING INCOME (LINE 7 - LINE 2 \$ REDUCTION TO STATE UTILITY TAX SAVINGS FOR LINE 4 INCREASE (DECREASE) INCOME INCREASE (DECREASE) FIT @	D. DESCRIPTION ACTUAL SALES FOR RESALE \$ 151,158,328 PURCHASES/SALES OF NON-CORE GAS WHEELING FOR OTHERS 20,154,644 WHEELING FOR OTHERS 11,340,015 TOTAL OPERATING REVENUES 182,652,987 FUEL \$ 72,975,508 PURCHASED AND INTERCHANGED 788,255,330 RATE DISALLOWANCES FOR MARCH POINT 2 AND TENASK. - SUBTOTAL PURCHASED AND INTERCHANGED \$ 788,255,330 WHEELING 43,994,427 SCH. 94 - RES./FARM CREDIT (177,350,021) TOTAL PRODUCTION EXPENSES \$ 727,875,244 HYDRO AND OTHER POWER 53,185,137 TRANS. EXP. INCL. 500KV O&M 604,461 TOTAL OPERATING EXPENSES \$ 781,664,842 INCREASE (DECREASE) OPERATING INCOME (LINE 7 - LINE: \$ (599,011,855) REDUCTION TO STATE UTILITY TAX SAVINGS FOR LINE 4 3.85% INCREASE (DECREASE) INCOME 35%	DESCRIPTION	DESCRIPTION SALES FOR RESALE \$ 151,158,328 \$ 9,077,310	DESCRIPTION ACTUAL PROFORMA SALES FOR RESALE \$ 151,158,328 \$ 9,077,310 \$ PURCHASES/SALES OF NON-CORE GAS 20,154,644 499,969 4 WHEELING FOR OTHERS 11,340,015 10,373,140 5 TOTAL OPERATING REVENUES 182,652,987 19,950,419 5 PURCHASED AND INTERCHANGED 788,255,330 724,228,155 8 RATE DISALLOWANCES FOR MARCH POINT 2 AND TENASK (11,790,755) \$ SUBTOTAL PURCHASED AND INTERCHANGED 788,255,330 712,437,400 \$ WHEELING 43,994,427 53,907,894 \$ SCH, 94 - RES./FARM CREDIT (177,350,021) 7 724,228,155 \$ WHEELING 53,185,137 62,876,016 \$ 8 8 8 8 8 8 8 8 8 9 8

PUGET SOUND ENERGY

GENERAL RATE CASE

DETERMINATION OF NET POWER COSTS FOR GRC PAGE 16.03 TEST YEAR ENDED SEPTEMBER 30, 2005 RATE YEAR ENDED DECEMBER 31, 2007

Lin	e FERC	Description	Rate Year 12ME 12/31/2007	Less Hopkins Ridge	Less Wild Horse	Less Amort of Reg Assets	Remove Ben&Tax	Net Before Prod Factor	After Prod Factor of 0.99109
1	Fuel:								
2	501	Steam Fuel	\$ 52,243,830				\$ -	\$ 52,243,830	\$ 51,778,337
3	547	Fuel	35,376,354			719,503		36,095,857	35,774,243
4			87,620,184	•	-	719,503	-	88,339,687	87,552,580
5		d and Interchanged:							
6	555	Purchased Power	751,585,389			(27,869,620)	-	723,715,769	717,267,461
6a	555	Tenaska Buyout Disallowance	(8,322,633)			, , , ,		(8,322,633)	(8,248,478)
6a	555	Tenaska Prudence Disallowance	(2,507,801)					(2,507,801)	(2,485,456)
6a	555	March Point 2 Prudence Disallowance	(1,066,322)					(1,066,322)	(1,056,821)
7	557	Other Power Expense	7,699,594				(676,323)		6,960,694
8			747,388,227	-	-	(27,869,620)	(676,323)	718,842,284	712,437,400
9							(===,===)	,,	112,101,100
10 11	565	Wheeling	58,667,782	•	(2,621,721)	(1,653,530)	-	54,392,531	53,907,894
12 13	various	Hydro and Other Power	80,224,125	(4,729,000)	(9,921,354)		(2,132,493)	63,441,278	62,876,016
14	various	Trans. Exp. Incl. 500Kv O&M	870,000					870,000	862,248
15	447	Sales for Resale	(9,158,916)					(9,158,916)	(9,077,310)
16	456	Purchases/Sales Of Non-Core Gas	(504,464)					(504,464)	(499,969)
17		•	(8,793,380)	-				(8,793,380)	(8,715,031)
18		· ·						(0,733,300)	(0,773,031)
19	Net Power	Costs	965,106,938	(4,729,000)	(12,543,075)	(28,803,647)	(2,808,816)	916,222,400	908,058,858
20	various	Variable Transmission Income	(10,466,396)	(, , , , , , , , ,	(1-,010,010)	(20,000,011)	(2,000,010)	(10,466,396)	(10,373,140)
21						***************************************		(10,100,000)	(10,070,140)
22	Power Cos	sts Page 16.03 Line 22	\$ 954,640,542	\$ (4,729,000)	\$ (12,543,075)	\$ (28,803,647)	\$ (2,808,816)	\$ 905,756,004	\$ 897,685,718
_23		<u> </u>				<u> </u>			7 001,100,710
24									
25			R	Reconciliation of To	otal power Costs				
26									
. 27	Power Cos	ts Provided by Power Cost Analysis Dep	t.				_	\$ 965,106,938	\$ 956,507,835
28		and Taxes						(2,808,816)	(2,783,789)
29		Transmission Income						(10,466,396)	(10,373,140)
્ 30	New Pla							(17,272,075)	(17,118,180)
31		tion of Regulatory Assets						(28,803,647)	(28,547,007)
32	Power Cos	ts Page 16.03 Line 22					•	\$ 905,756,005	\$ 897,685,719
33								7 000,700,000	4 007,000,773
34	Power Cos	ts Page 16.03 Line 22						\$ 905,756,005	\$ 897,685,719
35	Add Amo	rtization of Regulatory Assets						30,298,349	30,028,391
36		er Costs to 557						5,626,810	5,576,675
37	New Plan	nts				•		17,272,075	17,118,180
38	Purchase	d Power						61,851	61,300
39		wer Supply						359,976	356,769
40	Less Tran	nsmission income not related to 3 allowed	d transmission lines	S				6,561,861	6,503,394
41 L	ines 34 - 4-	1 and Power Cost Portion of Line 23a of	Exhibit A-1				-	\$ 965,936,926	\$ 957,330,428
42							=	7 000,000,020	\$ 557,550,720

includes agreed upon changes as of 9/15/06

INCLUDES AGREED UPON CHANGES AS OF AS OF 9/15/2006

Docket Numbers UE-060266
Exhibit No. (JHS-20)
PAGE 20.16

PUGET SOUND ENERGY-ELECTRIC RATE CASE EXPENSES FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2005 GENERAL RATE INCREASE

Y	T	n t	100
	. 1	IN	Ħ.

NO. D	DESCRIPTION					AMOUNT
	EFERRED EXPENDITURES TO BE AMORTIZED:		•			
2 3 20	001 GRC EXPENSES BALANCE @ 9/30/2005		\$	600.277		
	ESS 2001 GRC AMORTIZATION FROM 10/01/05 - 12/31/06		Ъ	609,277		
	EMAINING 2001 GRC DEFERRALS TO BE AMORTIZED			315,000	_	
6	EMMINING 2001 GRC DEI ERRALS TO BE AMORTIZED			294,277	=	
	NNUAL AMORTIZATION (LINE 5 ÷ 2)			147 120		
	ESS TEST YEAR EXPENSE: 2001 GRC AMORTIZATION			147,139		
	ICREASE (DECREASE) EXPENSE			466,695		(210 55)
10	(Colorida) Em Ende			(319,556)	3	(319,556)
	004 GRC EXPENSES BALANCE @ 9/30/05		\$	868,449		
	ESS 2004 GRC AMORTIZATION FROM 10/01/05-12/31/06		•	449,198		
	EMAINING 2004 GRC DEFERRALS TO BE AMORTIZED			419,198	_	
14				419,231	=	
	NNUAL AMORTIZATION (LINE 13 + 2)			209,626		
16 LE	ESS TEST YEAR EXPENSE: 2004 GRC AMORTIZATION		•	209,626		
	CREASE (DECREASE) EXPENSE				- \$	
18				. 0	Ф	-
19						
20 EX	YPENSES TO BE NORMALIZED:					
21						•
22 ES	TIMATED GRC EXPENSES TO BE NORMALIZED		\$	1,960,000		
23					=	
24 AN	NUAL NORMALIZATION (LINE 22 / 2 YEARS)			980,000		
25 LE	SS TEST YEAR EXPENSE: GRC DIRECT CHARGES TO FERC 928			1,143,911		
26 INC	CREASE (DECREASE) EXPENSE			, , , , , ,	- s	(163,911)
27					Ψ	(103,711)
28						
29 EST	TIMATED PCORC EXPENSES TO BE NORMALIZED		\$	500,000		
30		=			=	
31 AN	NUAL NORMALIZATION (LINE 29 / 2)			250,000		
32 LES	SS TEST YEAR EXPENSE: PCORC DIRECT CHARGES			290,712		
33 INC	CREASE (DECREASE) EXPENSE				· \$	(40,712)
34						
35						
36						
37 TOT	TAL INCREASE (DECREASE) EXPENSE				\$	(524,179)
38 ·	DE AGE/DEGDE AGE), DVM. C					- ,
	REASE(DECREASE) FIT @	35%				183,463
10 INC.	REASE(DECREASE) NOI				\$	340,716

Docket Numbers UE-060266
Exhibit No. (KRK-12)

PUGET SOUND ENERGY-GAS RESULTS OF OPERATIONS FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2005 GENERAL RATE INCREASE

			OLITEICA	L KA	E INCREASE					
					REVISED		REVISED		REVISED	REVISED
LINE NO.			ACTUAL RESULTS OF OPERATIONS		TOTAL DJUSTMENTS		ADJUSTED RESULTS OF		REVENUE REQUIREMENT	AFTER RATE
			OX EIGHTIONS		DJUSTMENTS		OPERATIONS		DEFICIENCY	 INCREASE
1	OPERATING REVENUES:									
2	SALES TO CUSTOMERS	\$	829,271,796	e	11/2 222 200	•	0.40			
3	MUNICIPAL ADDITIONS	•	34,729,596	J	114,323,290 (34,729,596)		943,595,086	\$	38,063,094	\$ 981,658,180
4	OTHER OPERATING REVENUES		15,438,897		1,991,156		17 420 052		-	•
5	TOTAL OPERATING REVENUES	\$	879,440,289	<u>s</u>	81,584,850	\$	17,430,053 961,025,139		840,230	 18,270,283
6			,,,	•	01,504,650	Þ	901,023,139		\$38,903,324	\$ 999,928,463
7										
8	OPERATING REVENUE DEDUCTIONS:									
9										
- 10	GAS COSTS:									
11									•	
12	PURCHASED GAS	\$	539,655,901	•	01 500 470	•	(21.255.254	_		
13		•	337,033,901	J	91,599,470	3	631,255,371	\$		\$ 631,255,371
14	TOTAL PRODUCTION EXPENSES	\$	539,655,901	\$	91,599,470	\$	(21 255 251			
15			,,	٠ .	71,379,470	Þ	631,255,371	\$	•	\$ 631,255,371
16	OTHER POWER SUPPLY EXPENSES	\$	1,520,542	•	25.250	_				
17	TRANSMISSION EXPENSE	9	445,738	\$	35,258	\$	1,555,800	\$	-	\$ 1,555,800
18	DISTRIBUTION EXPENSE		33,307,919		8,410		454,148			454,148
19	CUSTOMER ACCOUNT EXPENSES				770,419		34,078,338			34,078,338
20	CUSTOMER SERVICE EXPENSES		22,239,694		1,114,334		23,354,028		132,382	23,486,410
21	CONSERVATION AMORTIZATION		3,914,552		(2,330,615)		1,583,937		·	1,583,937
22	ADMIN & GENERAL EXPENSE		3,454,161		(3,454,161)		-			-
23	DEPRECIATION		36,522,434		5,136,395		41,658,829		73,916	41,732,746
24	AMORTIZATION		64,997,955		(41,961)		64,955,994			64,955,994
25	AMORTIZATION AMORTIZATION OF PROPERTY LOSS		11,302,712		0		11,302,712			11,302,712
26	OTHER OPERATING EXPENSES		3,287		0		3,287			3,287
27	FAS 133		150,234		717,990		868,224			868,224
28	TAXES OTHER THAN INCOME TAXES		-		. 0		-			
29	INCOME TAXES		83,922,287		(32,826,534)		51,095,753		1,493,457	52,589,210
30	DEFERRED INCOME TAXES		9,529,694		1,932,479		11,462,173		13,021,249	24,483,422
31	TOTAL OPERATING REV. DEDUCT.		(4,023,283)		12,203,333		8,180,050			8,180,050
32	TO THE OF ERGYTING REV. DEDUCT.	\$	267,287,926	\$	(16,734,653)	\$	250,553,273	\$	14,721,004	\$ 265,274,278
33	NET OPERATING INCOME	\$	70 406 460	•						
34	The state of the s	Þ	72,496,462	\$	6,720,033	\$	79,216,495	\$	24,182,320	\$ 103,398,815
35	RATE BASE	\$	1,179,240,567		£1 111 177	•	1 100 251 515			
36		•	1,177,240,307		\$1,111,176	2	1,180,351,743	\$	-	\$ 1,180,351,743
37	RATE OF RETURN		6.15%				6.71%			0.500
38 39	DATE DAGE						0.7170			8.76%
40	RATE BASE: UTILITY PLANT IN SERVICE	_								
41	ACCUMULATED DEPRECIATION	\$	2,007,347,617	\$	(901,242)	\$	2,006,446,375			
42	ACCUMULATED DEFERRED FIT - LIBERALIZED		(650,335,811) (174,512,354)		1,503,898		(648,831,913)			
43	OTHER		(14,234,907)		508,520		(174,003,834)			
44	TOTAL NET INVESTMENT	\$	1,168,264,545	\$	1,111,176	\$	(14,234,907) 1,169,375,721			
45	ALLOWANCE FOR WORKING CAPITAL		10,976,022	-	-,,./0	Ψ	10,976,022			
46	TOTAL RATE BASE	\$	1,179,240,567	\$	1,111,176	\$	1,180,351,743			
						-				

Docket rumbers UE-060266 Exhibit No. (KRK-12) Page 12-A

		U	NCONTESTED	>>>:	UNCONTESTED	UNG	D PRO FORMA CONTESTED	Y	INCONTROTED	1	UNCONTESTED	UNCONT	TESTED	UNCONTESTED	UNCO	NTFSTED
LIN NO		(UAL RESULTS OF OPERATIONS ME Sept. 30, 2005		REVENUE & EXPENSES 12.01		FEDERAL COME TAX 12.02		>>>>>>>>>>>>>>>>>>>>>>>>>>>>>>>>>>>>>>	>>> C	**************************************	>>>>> BA DEE 12.0	TS	UNCONTESTED >>>>>>>> MISCELLANEOUS OPERATING EXPENSE 12.06	PRO T	OPERTY TAXES
1	OPERATING REVENUES															12.07
2 3 4	SALES TO CUSTOMERS MUNICIPAL ADDITIONS OTHER OPERATING REVENUES	\$	829,271,796 34,729,596 15,438,897	\$	114,323,290 (34,729,596) 1,916,844	\$	- \$	\$	-	\$	•	\$	•	\$ -	\$	•
, 6	TOTAL OPERATING REVENUES	\$	879,440,289	\$	81,510,538	\$	- S		•	•				•		
7								•	•	ъ	-	\$	•	\$	\$	•
8	OPERATING REVENUE DEDUCTIONS:															
. 9	and an arrange and arrange arr						•									
10 11	GAS COSTS:															
12 13	PURCHASED GAS	\$	539,655,901	\$	91,599,470	\$	- \$	3	- ;	\$	-	\$	- :	\$	\$	
14	TOTAL PRODUCTION EXPENSES	\$	539,655,901	\$	91,599,470	•					<u> </u>			•		•
15			,	•	71,399,470	Ф.	- \$,	.•	\$	-	\$	- :	\$.	\$	
16 17	OTHER ENERGY SUPPLY EXPENSES TRANSMISSION EXPENSE	\$	1,520,542 445,738	\$	•	\$	- ' \$;	- :	\$		\$	- 5	\$ _	\$	
18	DISTRIBUTION EXPENSE		33,307,919													
19	CUSTOMER ACCTS EXPENSES		22,239,694		277,369											
20	CUSTOMER SERVICE EXPENSES		3,914,552		277,309							36	3,605			
21	CONSERVATION AMORTIZATION		3,454,161								(279,572)					
22 23	ADMIN & GENERAL EXPENSE		36,522,434		154,870						(3,454,161)					
23	DEPRECIATION AMORTIZATION		64,997,955										-	(536)		
25	AMORTIZATION AMORTIZATION OF PROPERTY LOSS		11,302,712											85,324		
26	OTHER OPERATING EXPENSES		3,287 150,234													
27-	FAS 133		150,254		-									1,420,883		
28	TAXES OTHER THAN INCOME TAXES		83,922,287		(31,592,754)									, , , , , , , , , , , , , , , , , , , ,		
29	INCOME TAXES		9,529,694		7,375,054		(12,694,120)		7,280,941		1.004.00=					(722,193)
30 31	DEFERRED INCOME TAXES TOTAL OPERATING REV. DEDUCT.		(4,023,283)				12,203,333		7,280,941		1,306,807	(12	7,262)	(526,985)		252,768
32	TOTAL OPERATING REV. DEDUCT.	\$	267,287,926	\$	(23,785,461)	\$	(490,787) \$		7,280,941 \$	5	(2,426,926) \$	23	6,343 \$	978,686	•	(460,405)
33 34	NET OPERATING INCOME	\$	72,496,462	\$	13,696,529	\$	490,787 \$		(7,280,941) \$,					(469,425)
35	RATE BASE	\$	1,179,240,567				, •		(7,200,541)	,	2,426,926 \$	(23	6,343) \$	(>10,000)	\$	469,425
36 37	RATE OF RETURN		6.15%										. \$	2,857,353		
38 39	RATE BASE:															
40	UTILITY PLANT IN SERVICE	\$	2,007,347,617	¢.	_									•		
41	ACCUMULATED DEPRECIATION	Φ	(650,335,811)	\$	- \$	\$	- \$		- \$;	- \$;	- \$	2,912,989	\$	_
42 43	ACCUMULATED DEFERRED FIT - LIBERALIZED OTHER		(174,512,354)								•			(55,636)		
44	TOTAL NET INVESTMENT	\$	(14,234,907)													
45	ALLOWANCE FOR WORKING CAPITAL	3	1,168,264,545 10,976,022	\$	- 3	<u> </u>	- \$		- \$		- \$		- \$	2,857,353	\$	
46	TOTAL RATE BASE	- \$	1,179,240,567	\$	- s		- \$									
		*****		-					- \$		- \$		- \$	2,857,353	\$	

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			CONTESTED	UNCONTESTED	G AND PRO FORMA A UNCONTESTED	UNCONTECTED	1	UNCONTESTED	UNCONTESTED	UNCONTESTED	UNCONTESTED
LINE NO.			CISE TAX & ILING FEE 12.08	RATE CASE EXPENSES 12.09	PROPERTY& LIABILITY INS 12.10	>>>>>>>> PENSION PLAN 12.11	>>>>	>>>>>>>> WAGE INCREASE 12.12	>>>>>>>> INVESTMENT PLAN 12.13		INCENTIVE PAY
1	OPERATING REVENUES				~						12.15
2 3 4	SALES TO CUSTOMERS MUNICIPAL ADDITIONS OTHER OPERATING REVENUES	\$	÷ \$	- \$			\$	- \$	- \$		\$ -
5 6	TOTAL OPERATING REVENUES	\$	- \$	- \$	•	\$.	.\$	- \$	- 5		
7							.*	- .	- 3	-	\$ -
8 9	OPERATING REVENUE DEDUCTIONS:				:				•		
10	GAS COSTS:										
11											
12 13	PURCHASED GAS	\$	- \$	- \$	•	\$ -	\$	- \$	· .		\$
14	TOTAL PRODUCTION EXPENSES	\$	- \$	- \$	· -	•		·			-
15				•	· ·	-	\$	- \$	- \$	-	\$ -
16 17 18	OTHER ENERGY SUPPLY EXPENSES TRANSMISSION EXPENSE DISTRIBUTION EXPENSE	\$	- \$	- \$		-	\$	52,231 \$ 11,946	- \$	-	\$ (16,973) (3,536)
19	CUSTOMER ACCTS EXPENSES							1,067,461			(297,042)
20 21 22	CUSTOMER SERVICE EXPENSES CONSERVATION AMORTIZATION ADMIN & GENERAL EXPENSE							448,267 65,719			(106,657) (21,700)
23 24 25 26	DEPRECIATION AMORTIZATION AMORTIZATION OF PROPERTY LOSS OTHER OPERATING EXPENSES		(1,544)	121,202	(190,680)	2,466,940		467,438	95,575	643,825	(174,502)
27	FAS 133										
28 29	TAXES OTHER THAN INCOME TAXES INCOME TAXES		(597,418) 209,637 \$	(42,421)	66,738	(0(0,400)		134,252			(43,180)
30	DEFERRED INCOME TAXES			(42,421)	00,/38	(863,429)		(786,560)	(33,451)	(225,339)	232,257
31 32	TOTAL OPERATING REV. DEDUCT.	\$	(389,325) \$	78,781 \$	(123,942)	1,603,511	\$	1,460,754 \$	62,124 \$	418,486	(431,333)
33 34	NET OPERATING INCOME	\$	389,325 \$	(78,781) \$	123,942	(1,603,511)	\$	(1,460,754) \$	(62,124) \$	(418,486)	(101,000)
35 36	RATE BASE								(02,121)	(410,400)	431,333
37 38	RATE OF RETURN										
39	RATE BASE:										
40 41 42	UTILITY PLANT IN SERVICE ACCUMULATED DEPRECIATION ACCUMULATED DEFERRED FIT - LIBERALIZED	\$	- \$	- \$	- :	-	\$	- \$	- \$	- 1	
43 44	OTHER TOTAL NET INVESTMENT										
45 46	ALLOWANCE FOR WORKING CAPITAL TOTAL RATE BASE	\$	- \$	- \$	- :	•	\$	\$	\$	- 5	-
40	TOTAL RATE BASE	\$	- \$	- \$	- 3		\$	- \$	- \$	- 5	

Docker: Numbers UE-060266 Exhibit No. (KRK-12) Page 12-C

PUGET SOUND ENERGY-GAS STATEMENT OF OPERATING INCOME AND ADJUSTMENTS FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2005

			DEL LENEDER SU,
RESTATING	AND PRO	FORMA	ADJUSTMENTS

			CONTESTED	UNCONTESTED	AND PRO FO UNCONT	TOTAL	THICONIMMONTO	CONSTESTED U	NCONTESTED	UNCONTESTE	D.	UNCONTESTED	
LINE NO.	-	INT CUSTO	TEREST ON MER DEPOSITS 12.16	DEFERRED GAINS/ LOSSES PROP SALES 12.17	GENERAL RELOCA 12.1	ATION	LOW INCOME AMORTIZATION 12.19	D&U ·	>>>>>>>> EVERETT DELTA 12.21	*>>>>>>>> DEPRECIATION 12.22	>>>> N	TOTAL ADJUSTMENTS	ADJUSTE RESULTS
1	OPERATING REVENUES		*****************									*************************	OPERATIO
2 3 4	SALES TO CUSTOMERS MUNICIPAL ADDITIONS OTHER OPERATING REVENUES	\$	-							\$	- \$	114,323,290 \$ (34,729,596)	943,59
5	TOTAL OPERATING REVENUES	\$		•					74,312			1,991,156	17,430
6		-	_		\$	-		\$ -	\$ 74,312	\$	- \$		
7													701,020
8	OPERATING REVENUE DEDUCTIONS:												
10 11	GAS COSTS:												
12 13	PURCHASED GAS	\$	-							\$	- \$	91,599,470 \$	631,255
14	TOTAL PRODUCTION EXPENSES	\$	-	•								, 110 × 11, 10 · 0	031,233
15		•	_	•	\$	•		\$ - 5	-	\$	- \$	91,599,470 \$	631,255
16	OTHER ENERGY SUPPLY EXPENSES												
17 18	TRANSMISSION EXPENSE DISTRIBUTION EXPENSE									\$	- \$	35,258 \$ 8,410	1,555 454
19	CUSTOMER ACCTS EXPENSES		131.750									770,419	34,078
20	CUSTOMER SERVICE EXPENSES		131,/30									1,114,334	23,354
21 22	CONSERVATION AMORTIZATION ADMIN & GENERAL EXPENSE						(2,095,062)					(2,330,615) (3,454,161)	1,583
23	DEPRECIATION					1,540,045		13,763				5,136,395	41,658
24	AMORTIZATION					(127,285)					-	(41,961)	64,955
25 26	AMORTIZATION OF PROPERTY LOSS OTHER OPERATING EXPENSES			(702,893)	,								11,302 3
27	FAS 133											717,990	868
28 29	TAXES OTHER THAN INCOME TAXES INCOME TAXES					(5,240)						(22.006.50.0)	
30	DEFERRED INCOME TAXES			246,013		(492,632)	733,272	(4,817)	26,009		_	(32,826,534) 1,932,479	51,095
31	TOTAL OPERATING REV. DEDUCT.								20,000		-	12,203,333	11,462
32	TOTAL OF EXATING REV. DEDUCT.	\$	131,750	\$ (456,881)	\$	914,888	(1,361,790)	\$ 8,946 \$	26,009	\$	- \$	(16,734,653) \$	8,180. 250,553.
33 34	NET OPERATING INCOME	\$	(131,750)	456,881	\$	(914,888)	1,361,790	\$ (8,946) \$	48,303		- \$	6,720,033 \$	79,216.
35 36	RATE BASE	\$			\$ (1	,746,177)			;		- \$	1,111,176 \$	
37 38	RATE OF RETURN												6.
39	RATE BASE:												
40 41	UTILITY PLANT IN SERVICE ACCUMULATED DEPRECIATION	\$	=		\$ (3,	,814,231)				S	- \$	(901.242) @	2.006.446
42 43	ACCUMULATED DEFERRED FIT - LIBERALIZED OTHER		•		1,	,559,534 508,520			•		- Ф	(901,242) \$ 1,503,898 508,520	2,006,446, (648,831, (174,003,
44	TOTAL NET INVESTMENT	\$	- \$		\$ (1.	,746,177) \$	-	\$ - \$				-	(14,234,
45 46	ALLOWANCE FOR WORKING CAPITAL TOTAL RATE BASE				. (4)	,,		- 5	- (•	- \$	1,111,176 \$	1,169,375,
70	TOTAL RATE BASE	\$	- 3	-	\$ (1,	,746,177) \$	-	\$ - \$	(5	- \$	1,111,176 \$	10,976,
												-,, Ψ	.,

REFLECTS AGREED UPON CHANGES AS OF 9/15/2006

Docket Numbers UE-060266
Exhibit No. (KRK-12)
PAGE 12.09

PUGET SOUND ENERGY-GAS RATE CASE EXPENSES FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2005 GENERAL RATE INCREASE

T	1	N	I	o
L		17	H	ъ.

NC	D. DESCRIPTION				AMOUNT
1	DEFERRED EXPENDITURES TO BE AMORTIZED:				
2					
3	2001 GRC EXPENSES BALANCE @ 9/30/05	\$	833,877		
4	LESS 2001 GRC AMORTIZATION FROM 10/01/05-12/31/06		431,310		
5	REMAINING 2001 GRC DEFERRALS TO BE AMORTIZED	***************************************	402,567	-	
6	A NAMED A LANGUETT A TETAN OF TAKE A CO.			=	
7	ANNUAL AMORTIZATION (LINE 5 ÷ 2)		201,284		
8 9	LESS TEST YEAR EXPENSE: 2001 GRC AMORTIZATION	•	451,668	_	
10	INCREASE (DECREASE) EXPENSE		(250,385)	\$	(250,385)
11	2004 GRC EXPENSES BALANCE @ 9/30/05	· ·	270.207		
12	LESS 2004 GRC AMORTIZATION FROM 10/01/05-12/31/06	\$	379,326 192,720		•
13	REMAINING 2004 GRC DEFERRALS TO BE AMORTIZED		186,606	-	
14		-	100,000	=	
15	ANNUAL AMORTIZATION (LINE 13 ÷ 2)		93,303		
16	LESS TEST YEAR EXPENSE: 2004 GRC AMORTIZATION		89,936		
17	INCREASE (DECREASE) EXPENSE		3,367	-	3,367
18 19				•	,
20	EXPENSES TO BE NORMALIZED:				
21	FOTH (A TED ON G FLYDD) (OTG TO THE STATE OF				
22 23	ESTIMATED GRC EXPENSES TO BE NORMALIZED	\$	1,960,000		
24	ANNUAL NORMALIZATION (LINE 22 / 2 YEARS)				
25	LESS TEST YEAR EXPENSE: GRC DIRECT CHARGES TO O&M		980,000		
26	122 122 Libb. GRO BIRECT CHARGES TO OWN	·	611,781		
27	INCREASE (DECREASE) EXPENSE	\$	368,219	\$	368,219
28					,
29					
	TOTAL INCREASE (DECREASE) EXPENSE			\$	121,202
31 32	INCREASE(DECREASE) FIT @	250/			
	INCREASE(DECREASE) NOI	35%		•	(42,421)
-				\$	(78,781)