

**EXHIBIT NO. \_\_\_(JHS-4)**  
**DOCKET NO. UE-06 \_\_\_/UG-06 \_\_\_**  
**2006 PSE GENERAL RATE CASE**  
**WITNESS: JOHN H. STORY**

**BEFORE THE**  
**WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

**WASHINGTON UTILITIES AND  
TRANSPORTATION COMMISSION,**

**Complainant,**

**v.**

**PUGET SOUND ENERGY, INC.,**

**Respondent.**

**Docket No. UE-06 \_\_\_**  
**Docket No. UG-06 \_\_\_**

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

**FEBRUARY 15, 2006**

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

LINE NO.	ACTUAL RESULTS OF OPERATION	TOTAL ADJUSTMENTS	ADJUSTED RESULTS OF OPERATIONS	REVENUE REQUIREMENT DEFICIENCY	AFTER RATE INCREASE
1	<u>OPERATING REVENUES:</u>				
2	\$ 1,397,539,936	\$ 217,863,076	\$ 1,615,403,012	\$ 140,908,878	\$ 1,756,311,890
3	350,901	127,722	478,623	-	478,623
4	151,158,328	(140,994,700)	10,163,628	-	10,163,628
5	55,899,367	(19,741,925)	36,157,442	-	36,157,442
6	<u>1,604,948,532</u>	<u>57,254,173</u>	<u>1,662,202,705</u>	<u>140,908,878</u>	<u>1,803,111,583</u>
7					
8	OPERATING REVENUE DEDUCTIONS:				
9					
10	<u>POWER COSTS:</u>				
11	\$ 75,039,758	\$ 17,894,751	\$ 92,934,509	\$ -	\$ 92,934,509
12	808,898,950	(73,335,256)	735,563,694	-	735,563,694
13	43,994,427	17,942,751	61,937,178	-	61,937,178
14	(177,350,021)	177,350,021	-	-	-
15	<u>750,583,114</u>	<u>139,852,267</u>	<u>890,435,381</u>	<u>-</u>	<u>890,435,381</u>
16					
17	\$ 53,185,137	\$ 20,647,819	\$ 73,832,956	\$ -	\$ 73,832,956
18	3,786,749	364,938	4,151,687	-	4,151,687
19	56,397,075	5,165,162	61,562,237	-	61,562,237
20	32,311,231	3,276,158	35,587,389	644,336	36,231,725
21	9,266,102	(4,734,815)	4,531,287	-	4,531,287
22	18,233,848	(18,233,848)	-	-	-
23	64,934,552	9,378,984	74,313,536	267,727	74,581,263
24	129,900,123	26,982,762	156,882,885	-	156,882,885
25	24,582,050	653,820	25,235,870	-	25,235,870
26	7,937,131	(3,180,069)	4,757,062	-	4,757,062
27	(2,317,679)	2,085,161	(232,518)	-	(232,518)
28	911,373	(911,373)	-	-	-
29	140,165,789	(31,564,925)	108,600,864	5,432,446	114,033,310
30	101,303,182	(51,565,122)	49,738,060	47,097,524	96,835,584
31	(17,512,885)	17,349,292	(163,593)	-	(163,593)
32	<u>\$ 1,373,666,892</u>	<u>\$ 115,566,210</u>	<u>\$ 1,489,233,102</u>	<u>\$ 53,442,033</u>	<u>\$ 1,542,675,135</u>
33					
34	\$ 231,281,640	\$ (58,312,037)	\$ 172,969,603	\$ 87,466,845	\$ 260,436,448
35					
36	\$ 2,513,582,619	\$ 459,436,216	\$ 2,973,018,835	\$ -	\$ 2,973,018,835
37					
38	9.20%		5.82%		8.76%
39					
40	RATE BASE:				
41	\$ 4,571,527,301	\$ 565,970,764	\$ 5,137,498,065	-	-
42	(1,971,832,341)	(16,026,138)	(1,987,858,479)	-	-
43	353,317,604	(48,376,550)	304,941,054	-	-
44	(387,242,755)	(42,131,860)	(429,374,615)	-	-
45	-	-	-	-	-
46	<u>(52,187,190)</u>	<u>-</u>	<u>(52,187,190)</u>	<u>-</u>	<u>-</u>
	<u>\$ 2,513,582,619</u>	<u>\$ 459,436,216</u>	<u>\$ 2,973,018,835</u>	<u>\$ -</u>	<u>\$ 2,973,018,835</u>

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

LINE NO.	ACTUAL RESULTS OF OPERATIONS	TEMPERATURE NORMALIZATION 4.01	REVENUES & EXPENSES 4.02	POWER COSTS 4.03	FEDERAL INCOME TAX 4.04	TAX BENEFIT OF PRO FORMA INTEREST 4.05	CONSERVATION 4.06	BAD DEBTS 4.07
1	OPERATING REVENUES							
2	SALES TO CUSTOMERS	\$ 1,397,539,936	\$ 11,269,972	\$ 206,593,104	\$ -	\$ -	\$ -	\$ -
3	SALES FROM RESALE-FIRM	350,901	5,605	122,117				
4	SALES TO OTHER UTILITIES	151,158,328		(140,994,700)				
5	OTHER OPERATING REVENUES	55,899,367		908,826				
6	TOTAL OPERATING REVENUES	\$ 1,604,948,532	\$ 11,275,577	\$ 207,624,047	\$ (161,645,451)	\$ -	\$ -	\$ -
7								
8	OPERATING REVENUE DEDUCTIONS:							
9								
10	POWER COSTS:							
11	FUEL	\$ 75,039,758	\$ -	\$ 20,672,094	\$ -	\$ -	\$ -	\$ -
12	PURCHASED AND INTERCHANGED	808,898,950		(80,374,196)				
13	WHEELING	43,994,427		13,599,859				
14	RESIDENTIAL EXCHANGE	(177,350,021)		177,350,021				
15	TOTAL PRODUCTION EXPENSES	\$ 750,583,114	\$ -	\$ 131,247,777	\$ -	\$ -	\$ -	\$ -
16								
17	OTHER POWER SUPPLY EXPENSES	\$ 53,185,137	\$ -	\$ 5,847,308	\$ -	\$ -	\$ -	\$ -
18	TRANSMISSION EXPENSE	3,786,749		257,787				
19	DISTRIBUTION EXPENSE	56,397,075						
20	CUSTOMER ACCTS EXPENSES	32,311,231	51,560	949,406				1,606,696
21	CUSTOMER SERVICE EXPENSES	9,266,102						
22	CONSERVATION AMORTIZATION	18,233,848					(18,233,848)	
23	ADMIN & GENERAL EXPENSE	64,934,552	21,424	394,486				
24	DEPRECIATION	129,900,123						
25	AMORTIZATION	24,582,050						
26	AMORTIZ OF PROPERTY GAIN/LOSS	7,937,131						
27	OTHER OPERATING EXPENSES	(2,317,679)						
28	FAS 133	911,373						
29	TAXES OTHER THAN INCOME TAXES	140,165,789	434,706	(37,936,557)	(37,225)			
30	INCOME TAXES	101,303,182	3,768,760	85,475,849	(104,636,385)	(21,583,624)	2,442,428	6,381,847
31	DEFERRED INCOME TAXES	(17,512,885)				17,030,311		
32	TOTAL OPERATING REV. DEDUCT.	\$ 1,373,666,892	\$ 4,276,450	\$ 48,883,183	\$ 32,679,263	\$ (4,553,313)	\$ 2,442,428	\$ (11,852,001)
33								
34	NET OPERATING INCOME	\$ 231,281,640	\$ 6,999,127	\$ 158,740,864	\$ (194,324,715)	\$ 4,553,313	\$ (2,442,428)	\$ 11,852,001
35								
36	RATE BASE	\$ 2,513,582,619					\$ (28,822)	
37								
38	RATE OF RETURN	9.20%						
39								
40	RATE BASE:							
41	GROSS UTILITY PLANT IN SERVICE	\$ 4,571,527,301	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
42	ACCUM DEPR AND AMORT	(1,971,832,341)						
43	DEFERRED DEBITS	353,317,604					(28,822)	
44	DEFERRED TAXES	(387,242,755)						
45	ALLOWANCE FOR WORKING CAPITAL	-						
46	OTHER	(52,187,190)						
47	TOTAL RATE BASE	\$ 2,513,582,619	\$ -	\$ -	\$ -	\$ -	\$ (28,822)	\$ -

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

LINE NO.	MISCELLANEOUS OPERATING EXPENSE 4.08	PROPERTY TAXES 4.09	HOPKINS RIDGE WIND PLANT 4.10	EXCISE TAX & FILING FEE 4.11	D&O INSURANCE 4.12	MONTANA ELECTRIC ENERGY TAX 4.13	INTEREST ON CUST DEPOSITS 4.14	SFAS 133 4.15	RATE CASE EXPENSES 4.16	
1	OPERATING REVENUES									
2	\$	- \$	-	\$	- \$	- \$	- \$	- \$	- \$	
3	SALES FROM RESALE-FIRM									
4	SALES TO OTHER UTILITIES									
5	OTHER OPERATING REVENUES									
6	\$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	
7										
8	OPERATING REVENUE DEDUCTIONS:									
9										
10	POWER COSTS:									
11	\$	- \$	-	\$	- \$	- \$	- \$	- \$	- \$	
12	PURCHASED AND INTERCHANGED									
13	WHEELING									
14	RESIDENTIAL EXCHANGE									
15	\$	- \$	- \$	1,653,530	\$	- \$	- \$	- \$	- \$	
16										
17	\$	- \$	- \$	4,729,000	\$	- \$	- \$	- \$	- \$	
18	TRANSMISSION EXPENSE									
19	983,429									
20	CUSTOMER ACCTS EXPENSES									
21	CUSTOMER SERVICE EXPENSES									
22	CONSERVATION AMORTIZATION									
23	271,901									
24	87,231									
25	680,439									
26	AMORTIZ OF PROPERTY GAIN/LOSS									
27	2,057,240									
28	FAS 133									
29	745,360	1,556,603	768,326	545,515			(13,165)	(911,373)		
30	(1,688,960)	(544,811)	(5,676,958)	(206,938)	2,553	4,608			(52,378)	
31	DEFERRED INCOME TAXES									
32	\$	3,136,640	\$	1,011,792	\$	10,542,923	\$	384,314	\$	
33										
34	\$	(3,136,640)	\$	(1,011,792)	\$	(10,542,923)	\$	(384,314)	\$	
35										
36	\$	27,382,430	\$	146,464,189						
37										
38	RATE OF RETURN									
39										
40	RATE BASE:									
41	\$	28,075,723	\$	- \$	177,479,678	\$	- \$	- \$	- \$	
42	\$	(693,293)								
42	DEFERRED DEBITS									
43	DEFERRED TAXES									
44	ALLOWANCE FOR WORKING CAPITAL									
45	OTHER									
46	\$	27,382,430	\$	- \$	146,464,189	\$	- \$	- \$	- \$	



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

LINE NO.	WILD HORSE WIND PLANT 4.26	INCENTIVE PAY 4.27	GENERAL OFFICE RELOCATION 4.28	OTHER AMORTIZATION 4.29	DEMAND RESPONSE PROGRAM 4.30	DEPRECIATION 4.31	PRODUCTION ADJUSTMENT 4.32	TOTAL ADJUSTMENTS	ADJUSTED RESULTS OF OPERATIONS			
1	OPERATING REVENUES											
2							\$	-	\$ 217,863,076	\$ 1,615,403,012		
3									127,722	478,623		
4									(140,994,700)	10,163,628		
5									(19,741,925)	36,157,442		
6	TOTAL OPERATING REVENUES									\$ 57,254,173	\$ 1,662,202,705	
7												
8	OPERATING REVENUE DEDUCTIONS:											
9												
10	POWER COSTS:											
11							\$	6,411	\$ 17,894,751	\$ 92,934,509		
12		(40,018)						(248,869)	(73,335,256)	735,563,694		
13	2,728,405							(39,043)	17,942,751	61,937,178		
14									177,350,021	-		
15	TOTAL PRODUCTION EXPENSES									\$ (281,501)	\$ 139,852,267	\$ 890,435,381
16												
17							\$	(133,058)	\$ 20,647,819	\$ 73,832,956		
18		(120,297)							364,938	4,151,687		
19			(316,252)						5,165,162	61,562,237		
20			(174,234)						3,276,158	35,587,389		
21		(30,673)			(7,793,764)	3,000,000			(4,734,815)	4,531,287		
22									(18,233,848)	-		
23		264,209	(316,305)	2,388,593				(27,238)	9,378,984	74,313,536		
24		18,835,795		(228,856)				(585,392)	26,982,762	156,882,885		
25								(26,619)	653,820	25,235,870		
26								(13,318)	(3,180,069)	4,757,062		
27									2,085,161	(232,518)		
28									(911,373)	-		
29		2,457,440	(70,869)	(81,695)				(134,157)	(31,564,925)	108,600,864		
30		(11,972,521)	381,185	(727,315)	2,727,818	(1,050,000)		381,382	(51,565,122)	49,738,060		
31									17,349,292	(163,593)		
32	TOTAL OPERATING REV. DEDUCT.									\$ (819,902)	\$ 115,566,210	\$ 1,489,233,102
33												
34	NET OPERATING INCOME									\$ 819,902	\$ (58,312,037)	\$ 172,969,603
35												
36									(11,082,282)	\$ 459,436,216	\$ 2,973,018,835	
37												
38	RATE OF RETURN										5.82%	
39												
40	RATE BASE:											
41							\$	(16,022,236)	\$ 565,970,764	\$ 5,137,498,065		
42		383,295,532		(6,857,933)				5,951,761	(16,026,138)	(1,987,858,479)		
43		(9,974,870)		2,804,020				(2,146,583)	(48,376,550)	304,941,054		
44								1,134,776	(42,131,860)	(429,374,615)		
45		(18,536,713)		914,310					-	-		
46	TOTAL RATE BASE									\$ (11,082,282)	\$ 459,436,216	\$ 2,973,018,835

**PUGET SOUND ENERGY-ELECTRIC  
TEMPERATURE NORMALIZATION  
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2005  
GENERAL RATE INCREASE**

LINE NO.	DESCRIPTION				
1	<u>TEMPERATURE NORMALIZATION ADJUSTMENT:</u>				
2		ACTUAL	TEMP ADJ	MWH	ADJ FOR LOSSES
3		<u>GPI MWH</u>	<u>GPI MWH</u>	<u>CHANGE</u>	<u>6.60%</u>
4	Oct-04	1,726,793	1,736,852	10,059	9,395
5	Nov-04	1,948,493	1,950,762	2,269	2,120
6	Dec-04	2,173,168	2,216,282	43,113	40,268
7	Jan-05	2,211,893	2,219,089	7,196	6,721
8	Feb-05	1,930,914	1,917,809	(13,105)	(12,240)
9	Mar-05	1,885,214	1,945,100	59,886	55,933
10	Apr-05	1,728,597	1,737,295	8,698	8,124
11	May-05	1,614,335	1,638,731	24,397	22,787
12	Jun-05	1,552,848	1,559,723	6,875	6,422
13	Jul-05	1,614,682	1,611,026	(3,656)	(3,414)
14	Aug-05	1,653,225	1,651,247	(1,978)	(1,847)
15	Sep-05	1,573,426	1,575,090	1,664	1,554
16		21,613,588	21,759,006	145,418	135,823
17					
18	REVENUE ADJUSTMENT:	Schedule 7		111,904	\$ 9,855,354
19		Schedule 24		4,765	361,068
20		Schedule 25		12,950	751,293
21		Schedule 26		1,527	83,369
22		Schedule 29		278	13,259
23		Schedule 31		783	38,909
24		Schedule 35		-	-
25		Schedule 43		3,104	148,795
26		Schedule 40		353	17,925
27		Firm Resale		159	5,605
28	INCREASE (DECREASE) SALES TO CUSTOMERS				\$ 11,275,577
29					
30	UNCOLLECTIBLES @			0.0045727	\$ 51,560
31	ANNUAL FILING FEE @			0.0019000	21,424
31	INCREASE (DECREASE) EXPENSES				72,984
32					
33	STATE UTILITY TAX @			0.0385529	\$ 434,706
34	INCREASE (DECREASE) TAXES OTHER				434,706
35					
36	INCREASE (DECREASE) INCOME				10,767,887
37					
38	INCREASE (DECREASE) FIT @			35%	3,768,760
39	INCREASE (DECREASE) NOI				\$ 6,999,127

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

LINE NO.	DESCRIPTION	ADJUSTMENT
1	<b>SALES TO CUSTOMERS:</b>	
2	<u>RESTATING ADJUSTMENTS:</u>	
3	ADD BACK SCHEDULE 94 RESIDENTIAL/FARM CREDIT	\$ 185,649,299
4	REMOVE MUNICIPAL TAXES	(48,315,602)
5	REMOVE SCHEDULE 120 CONSERVATION RIDER REVENUE	(19,030,407)
6	OUT OF PERIOD CHARGES	69,987
7	REMOVE SCH 135 & 136 GREEN POWER REVENUE	(1,116,397)
8		
9		
10		-
11	SUBTOTAL RESTATING ADJUSTMENTS	<u>117,256,880</u>
12		
13	<u>PROFORMA ADJUSTMENTS:</u>	
14	REMOVE PCORC INCREASE DOCKET 031725	\$ (23,716,925)
15	GRC PROFORMA INCREASE DOCKET 040640	52,628,111
16	PCORC PROFORMA INCREASE DOCKET 050870	69,312,849
17	PROFORMA UNBILLED REVENUE	(2,521,004)
18	LOW INCOME REVENUE	(7,949,401)
19	MISC. PROFORMA ADJUSTMENTS - SALES TO CUSTOMERS	1,582,594
20	MISC. PROFORMA ADJUSTMENTS - SALES FROM RESALE-FIRM	122,117
21	SUBTOTAL PROFORMA ADJUSTMENTS	<u>89,458,341</u>
22		
23	TOTAL INCREASE (DECREASE) SALES TO CUSTOMERS	\$ 206,715,221
24		
25	<b>OTHER OPERATING REVENUES:</b>	
26		
27	REMOVE 1995 CONSERVATION TRUST INTEREST DISTRIBUTION	427,863
28	MISC. PROFORMA ADJUSTMENTS - SALES FROM RESALE-SPECIAL CONTRACT	<u>480,963</u>
29		
30	TOTAL INCREASE (DECREASE) OTHER OPERATING REVENUE	<u>908,826</u>
31		
32	<b>TOTAL INCREASE (DECREASE) REVENUES</b>	207,624,047
33		
34	UNCOLLECTIBLES @	0.0045727 \$ 949,406
35	ANNUAL FILING FEE @	0.0019000 <u>394,486</u>
36	INCREASE (DECREASE) EXPENSES	1,343,891
37		
38	STATE UTILITY TAX @	0.0385529 \$ 8,004,509
39	REMOVE MUNICIPAL TAX EXPENSED	<u>(45,941,066)</u>
40	INCREASE (DECREASE) TAXES OTHER	<u>(37,936,557)</u>
41		
42	INCREASE (DECREASE) INCOME	244,216,713
43		
44	INCREASE (DECREASE) FIT @	35% <u>85,475,849</u>
45	INCREASE (DECREASE) NOI	<u>\$ 158,740,864</u>



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

LINE NO. DESCRIPTION	ACTUAL	PROFORMA	INCREASE (DECREASE)
1 SALES FOR RESALE	\$ 151,158,328	\$10,163,627.95	\$ (140,994,700)
2			
3 PURCHASES/SALES OF NON-CORE GAS	20,154,644	470,768	(19,683,876)
4 WHEELING FOR OTHERS	11,340,015	10,373,140	(966,875)
5	31,494,659	10,843,908	(20,650,751)
6			
7 <b>TOTAL OPERATING REVENUES</b>	<b>182,652,987</b>	<b>21,007,536</b>	<b>(161,645,451)</b>
8			
9 FUEL	\$ 72,975,508	\$93,647,601.53	\$ 20,672,094
10			
11 PURCHASED AND INTERCHANGED	788,255,330	719,667,176	(68,588,154)
12 RATE DISALLOWANCES FOR MARCH POINT 2 AND TENASKA	-	(11,786,042)	(11,786,042)
13 SUBTOTAL PURCHASED AND INTERCHANGED	\$ 788,255,330	\$ 707,881,134	\$ (80,374,196)
14 WHEELING	43,994,427	57,594,286	13,599,859
15 SCH. 94 - RES./FARM CREDIT	(177,350,021)	-	177,350,021
16 TOTAL PRODUCTION EXPENSES	\$ 727,875,244	\$ 859,123,021	\$ 131,247,777
17 HYDRO AND OTHER POWER	53,185,137	59,032,445	5,847,308
18 TRANS. EXP. INCL. 500KV O&M	604,461	862,248	257,787
19			
20 <b>TOTAL OPERATING EXPENSES</b>	<b>\$ 781,664,842</b>	<b>\$ 919,017,715</b>	<b>\$ 137,352,873</b>
21			
22 INCREASE (DECREASE) OPERATING INCOME (LINE 7 - LINE 20)	\$ (599,011,855)	\$ (898,010,179)	\$ (298,998,324)
23			
24 REDUCTION TO STATE UTILITY TAX SAVINGS FOR LINE 4	3.85%		(37,225)
25 INCREASE (DECREASE) INCOME			\$ (298,961,099)
26 INCREASE (DECREASE) FIT @	35%		(104,636,385)
27 INCREASE (DECREASE) NOI			<u>\$ (194,324,715)</u>

**PUGET SOUND ENERGY-ELECTRIC  
FEDERAL INCOME TAX  
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2005  
GENERAL RATE INCREASE**

LINE NO.	DESCRIPTION	AMOUNT
1	TAXABLE INCOME	\$ 227,770,167
2		
3	FEDERAL INCOME TAX @ 35%	79,719,558
4	CURRENTLY PAYABLE	\$ 79,719,558
5		
6	DEFERRED FIT - DEBIT	\$ 25,315,261
7	DEFERRED FIT - CREDIT	(25,797,835)
8	DEFERRED FIT - INV TAX CREDIT, NET OF AMORT.	-
9	TOTAL RESTATED FIT	\$ 79,236,984
10		
11	FIT PER BOOKS:	
12	CURRENTLY PAYABLE	\$ 101,303,182
13	DEFERRED FIT - DEBIT	2,973,818
14	DEFERRED FIT - CREDIT	(20,486,703)
15	DEFERRED FIT - INV TAX CREDIT, NET OF AMORT.	-
16	TOTAL CHARGED TO EXPENSE	\$ 83,790,297
17		-
18	INCREASE(DECREASE) FIT	(21,583,624)
19	INCREASE(DECREASE) DEFERRED FIT	17,030,311
20	INCREASE(DECREASE) NOI	\$ 4,553,313

**PUGET SOUND ENERGY-ELECTRIC  
TAX BENEFIT OF PRO FORMA INTEREST  
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2005  
GENERAL RATE INCREASE**

LINE NO.	DESCRIPTION	AMOUNT
1	RATE BASE	\$ 2,973,018,835
2	DEDUCTIBLE CWIP	86,855,581
3	NET RATE BASE	<u>\$ 3,059,874,416</u>
4		
5	WEIGHTED COST OF DEBT	<u>3.41%</u>
6	PROFORMA INTEREST	\$ 104,341,718
7		
8	<u>INTEREST EXPENSE ITEMS PER BOOKS:</u>	
9	INTEREST ON LONG TERM DEBT	\$ 103,115,872
10	INTEREST OF PREFERRED STOCK	58,376
11	AMORTIZATION OF DEBT DISCOUNT	
12	AND EXPENSE, NET OF PREMIUMS	3,057,999
13	OTHER INTEREST EXPENSE	5,315,021
14	LESS: INTEREST ON CUSTOMER DEPOSITS	<u>(227,184)</u>
15	CHARGED TO EXPENSE IN TEST YEAR	<u>111,320,084</u>
16		
17	INCREASE (DECREASE) INCOME	\$ 6,978,366
18		
19	INCREASE (DECREASE) FIT @	35% <u>2,442,428</u>
20	INCREASE (DECREASE) NOI	<u><u>\$ (2,442,428)</u></u>

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

LINE NO.	DESCRIPTION	AMOUNT	ADJUSTMENT
1	<u>CONSERVATION RIDER AMORTIZATION</u>		
2	ACTUAL CONSERVATION RIDER AMORTIZATION	\$ 18,273,661	
3	RESTATED CONSERVATION RIDER AMORTIZATION	-	
4	INCREASE (DECREASE) EXPENSE	(18,273,661)	
5	INCREASE (DECREASE) OPERATING EXPENSE		\$ (18,273,661)
6			
7	<u>PROFORMA</u>		
8	ACTUAL WHOLESALE CONSERVATION AMORTIZATION	30,187	
9	RATE YEAR WHOLESALE CONSERVATION AMORTIZATION	-	
10	INCREASE (DECREASE) EXPENSE	(30,187)	
11	INCREASE (DECREASE) OPERATING EXPENSE		(30,187)
12			
13	<u>ONE TIME ADJUSTMENTS</u>		
14	CENTRALIA SALE ACCRUAL REVERSAL	(70,000)	
15	RESTATED CENTRALIA SALE ACCRUAL REVERSAL	-	
16	INCREASE (DECREASE) EXPENSE	70,000	
17	INCREASE (DECREASE) OPERATING EXPENSE		70,000
18			
19	TOTAL OPERATING EXPENSE		\$ (18,233,848)
20			
21	INCREASE (DECREASE) FIT	35%	\$ 6,381,847
22			
23	INCREASE (DECREASE) NOI		<u>\$ 11,852,001</u>
24			
25	<u>RATEBASE ADJUSTMENT</u>		
26	CONSERVATION WHOLESALE ACCOUNT 18230221		\$ 28,822
27	RATE YEAR CONSERVATION WHOLESALE ACCOUNT		-
28	RATEBASE ADJUSTMENT		<u>\$ (28,822)</u>

**PUGET SOUND ENERGY-ELECTRIC  
BAD DEBTS  
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2005  
GENERAL RATE INCREASE**

LINE NO.	YEAR	NET WRITEOFF'S	GROSS REVENUES	SALES FOR RESALE OTHER	SALES FOR RESALE FIRM	NET REVENUES	PERCENT WRITEOFF'S TO REVENUE
1	12 MOS ENDED 09/30/2001	\$ 7,000,498	\$ 2,967,912,476	\$ 1,462,978,699	\$ 24,744,688	\$ 1,480,189,089	0.4729462%
2	12 MOS ENDED 09/30/2002	\$ 6,795,240	\$ 1,404,554,208	\$ 152,227,671	\$ 945,576	\$ 1,251,380,961	0.5430193%
3	12 MOS ENDED 09/30/2004	\$ 4,803,571	\$ 1,418,771,663	\$ 68,519,491	\$ 361,720	\$ 1,349,890,452	0.3558490%
4	3-Yr Average of Net Write Off Rate						<u>0.4572715%</u>
5							
6	Test Period Revenues		\$ 1,604,948,532	\$ 151,158,328	\$ 350,901	\$ 1,453,439,303	
7							
8	PROFORMA BAD DEBT RATE					0.4572715%	
9	PROFORMA BAD DEBTS					\$ 6,646,164	
10							
11	UNCOLLECTIBLES CHARGED TO EXPENSE IN TEST YEAR					5,039,468	
12	INCREASE (DECREASE) EXPENSE						\$ 1,606,696
13							
14	INCREASE (DECREASE) FIT					35%	(562,344)
15	INCREASE (DECREASE) NOI						<u>\$ (1,044,352)</u>

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

LINE NO. DESCRIPTION	ACTUAL	PROFORMA RESTATED	ADJUSTMENT
1 <u>OPERATING EXPENSES</u>			
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 AMORTIZATION OF BAKER LAKE SEISMIC COSTS	-	131,435	131,435
5 OREGON BACK TAXES	-	745,360	745,360
6 AMORTIZATION OF BAKER LAKE RELICENSING	-	549,004	549,004
7 TREE WATCH	1,016,571	2,000,000	983,429
8 NYSE PSE COMMON STOCK FEES	55,825	327,726	271,901
9 CWIP "IN SERVICE" BUT NOT TRANSFERRED TO PLANT - DEP EXP		87,231	87,231
10			
11 INCREASE (DECREASE) IN EXPENSE	\$ 1,072,396	\$ 5,897,996	\$ 4,825,600
12			
13 INCREASE(DECREASE) OPERATING EXPENSE			4,825,600
14 INCREASE(DECREASE) FIT @		35%	<u>(1,688,960)</u>
15			
16 INCREASE(DECREASE) NOI			<u>\$ (3,136,640)</u>
17			
18 <u>RATEBASE</u>			
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)
21 BAKER LAKE RELICENSING GROSS UTILITY PLANT		24,705,201	24,705,201
22 BAKER LAKE RELICENSING ACCUMULATED AMORTIZATION (AMA)		<u>(640,505)</u>	<u>(640,505)</u>
23			
24 TOTAL ADJUSTMENT TO RATEBASE	-		<u>\$ 27,382,430</u>

**PUGET SOUND ENERGY-ELECTRIC  
PROPERTY TAXES  
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2005  
GENERAL RATE INCREASE**

LINE NO.	DESCRIPTION	WASHINGTON	MONTANA	OREGON	TOTAL
1	RESTATED PROPERTY TAX	\$ 22,889,690	\$ 9,208,529	\$ 763,235	\$ 32,861,454
2	CHARGED TO EXPENSE IN TY	21,929,283	8,659,931	715,637	31,304,851
3	INCREASE(DECREASE) EXPENSE	\$ 960,407	\$ 548,598	\$ 47,598	\$ 1,556,603
4					
5	INCREASE(DECREASE) FIT @			35%	(544,811)
6					
7	INCREASE(DECREASE) NOI				\$ (1,011,792)

PUGET SOUND ENERGY-ELECTRIC  
HOPKINS RIDGE WIND PLANT  
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2005  
GENERAL RATE INCREASE

LINE NO.	DESCRIPTION	TEST YEAR	PROFORMA	ADJUSTMENT
1	<u>HOPKINS RIDGE RATE BASE (AMA)</u>			
2	<u>UTILITY PLANT RATEBASE</u>			
3	PLANT BALANCE	\$ -	\$ 177,479,678	\$ 177,479,678
4	ACCUMULATED DEPRECIATION	-	(14,113,756)	(14,113,756)
5	DEFERRED FIT	-	(25,644,233)	(25,644,233)
6	TOTAL UTILITY PLANT RATEBASE	-	<b>137,721,689</b>	<b>137,721,689</b>
7				
8	<u>REGULATORY ASSET RATEBASE</u>			
9	HOPKINS RIDGE PREPAID TRANSMISSION	-	8,742,500	8,742,500
10	REGULATORY ASSET RATEBASE	-	<b>8,742,500</b>	<b>8,742,500</b>
11				
12	OVERALL INCREASE TO RATEBASE	\$ -	\$ 146,464,189	\$ 146,464,189
13				
14	<u>HOPKINS RIDGE O&amp;M</u>			
15	DEPRECIATION EXPENSE ON UTILITY PLANT	-	8,873,984	8,873,984
16	AMORTIZATION OF PREPAID TRANSM REG ASSET	-	1,653,530	1,653,530
17	PROPERTY INSURANCE	-	195,041	195,041
18	PROPERTY TAXES	-	768,326	768,326
19	TOTAL O&M	-	11,490,881	11,490,881
20				
21	<u>POWER COST ASSOCIATED WITH HOPKINS RIDGE</u>			
22	565 WHEELING (INCLUDED IN ADJUSTMENT 2.03)	--	--	-
23	PRODUCTION O&M	-	4,729,000	4,729,000
24	TOTAL POWER COSTS	-	4,729,000	4,729,000
25				
26	INCREASE (DECREASE) OPERATING EXPENSES			\$ 16,219,881
27				
28	INCREASE (DECREASE) FIT		35%	(5,676,958)
29				
30	INCREASE (DECREASE) NOI			<b>\$ (10,542,923)</b>



**PUGET SOUND ENERGY-ELECTRIC  
EXCISE TAX & FILING FEE  
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2005  
GENERAL RATE INCREASE**

LINE NO.	DESCRIPTION	AMOUNT
1	RESTATED EXCISE TAXES	\$ 56,660,232
2	CHARGED TO EXPENSE FOR TEST YEAR	56,114,717
3	INCREASE (DECREASE) EXCISE TAX	\$ 545,515
4		
5	RESTATED WUTC FILING FEE	\$ 2,872,262
6	CHARGED TO EXPENSE FOR TEST YEAR	2,826,525
7	INCREASE(DECREASE) WUTC FILING FEE	\$ 45,737
8		
9	INCREASE(DECREASE) EXPENSE	591,252
10		
11	INCREASE(DECREASE) FIT @	35% (206,938)
12	INCREASE(DECREASE) NOI	\$ (384,314)

**PUGET SOUND ENERGY-ELECTRIC  
D&O INSURANCE  
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2005  
GENERAL RATE INCREASE**

LINE NO.	DESCRIPTION	TEST YEAR	RESTATED	ADJUSTMENT
1	D & O INS. CHG EXPENSE	\$ 1,123,513	\$ 1,116,218	\$ (7,295)
2				
3	INCREASE (DECREASE) D&O EXPENSE	\$ 1,123,513	\$ 1,116,218	\$ (7,295)
4				
5	INCREASE (DECREASE) EXPENSE			(7,295)
6				
7	INCREASE (DECREASE) FIT @		35%	2,553
8	INCREASE (DECREASE) NOI			\$ 4,742

**PUGET SOUND ENERGY-ELECTRIC  
MONTANA ELECTRIC ENERGY TAX  
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2005  
GENERAL RATE INCREASE**

LINE NO.	DESCRIPTION	AMOUNT
1	RESTATED KWH (COLSTRIP)	4,913,815,395
2	TAX RATE	<u>0.00035</u>
3		
4	RESTATED ENERGY TAX	1,719,835
5	CHARGED TO EXPENSE	<u>1,733,000</u>
6	INCREASE (DECREASE) EXPENSE	\$ (13,165)
7		
8	INCREASE (DECREASE) FIT @ 35%	<u>4,608</u>
9	INCREASE (DECREASE) NOI	<u><u>\$ 8,557</u></u>

**PUGET SOUND ENERGY-ELECTRIC  
INTEREST ON CUSTOMER DEPOSITS  
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2005  
GENERAL RATE INCREASE**

<b>LINE NO.</b>	<b>DESCRIPTION</b>	<b>AMOUNT</b>
1	INTEREST EXPENSE FOR TEST YEAR	\$ 227,184
2		
3	INCREASE (DECREASE) NOI	<u>\$ (227,184)</u>

**PUGET SOUND ENERGY-ELECTRIC**  
**SFAS 133**  
**FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2005**  
**GENERAL RATE INCREASE**

LINE NO.		ACTUAL	RESTATED	ADJUSTMENT
1	FAS 133 OPERATING EXPENSE	\$ 911,373	\$ -	\$ (911,373)
2				
3	INCREASE (DECREASE) IN EXPENSE	\$ 911,373	\$ -	\$ (911,373)
4				
5	INCREASE(DECREASE) OPERATING INCOME			911,373
6				
7	INCREASE (DECREASE) DEFERRED FIT @	35%		318,981
8				
9	INCREASE (DECREASE) NOI			<u>\$ 592,392</u>

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

LINE NO.	DESCRIPTION	AMOUNT
1	<b>DEFERRED EXPENDITURES TO BE AMORTIZED:</b>	
2		
3	2001 GRC EXPENSES BALANCE @ 9/30/2005	\$ 609,277
4	LESS 2001 GRC AMORTIZATION FROM 10/01/05 - 12/31/06	<u>315,000</u>
5	REMAINING 2001 GRC DEFERRALS TO BE AMORTIZED	<u><u>294,277</u></u>
6		
7	ANNUAL AMORTIZATION (LINE 5+ 14 REMAINING MONTHS ANNUALIZED X 12)	252,237
8	LESS TEST YEAR EXPENSE: 2001 GRC AMORTIZATION	<u>466,695</u>
9	INCREASE (DECREASE) EXPENSE	(214,458) \$ <b>(214,458)</b>
10		
11	2004 GRC EXPENSES BALANCE @ 9/30/05	\$ 868,449
12	LESS 2004 GRC AMORTIZATION FROM 10/01/05-12/31/06	<u>449,198</u>
13	REMAINING 2004 GRC DEFERRALS TO BE AMORTIZED	<u><u>419,251</u></u>
14		
15	ANNUAL AMORTIZATION (LINE 13+ 14 REMAINING MONTHS ANNUALIZED X 12)	359,358
16	LESS TEST YEAR EXPENSE: 2004 GRC AMORTIZATION	<u>209,626</u>
17	INCREASE (DECREASE) EXPENSE	149,732 \$ <b>149,732</b>
18		
19		
20	<b>EXPENSES TO BE NORMALIZED:</b>	
21		
22	ESTIMATED GRC EXPENSES TO BE NORMALIZED	<u>\$ 2,139,000</u>
23		
24	ANNUAL NORMALIZATION (LINE 22 / 2 YEARS)	1,069,500
25	LESS TEST YEAR EXPENSE: GRC DIRECT CHARGES TO FERC 928	<u>1,143,911</u>
26	INCREASE (DECREASE) EXPENSE	\$ <b>(74,411)</b>
27		
28		
29	ESTIMATED PCORC EXPENSES TO BE NORMALIZED	<u>\$ 1,159,000</u>
30		
31	ANNUAL NORMALIZATION (LINE 29 / 2)	579,500
32	LESS TEST YEAR EXPENSE: PCORC DIRECT CHARGES	<u>290,712</u>
33	INCREASE (DECREASE) EXPENSE	\$ <b>288,788</b>
34		
35		
36		
37	TOTAL INCREASE (DECREASE) EXPENSE	\$ 149,651
38		
39	INCREASE(DECREASE) FIT @ 35%	<u>(52,378)</u>
40	INCREASE(DECREASE) NOI	<u><u>\$ (97,273)</u></u>

**PUGET SOUND ENERGY-ELECTRIC  
DEFERRED GAINS/LOSSES ON PROPERTY SALES  
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2005  
GENERAL RATE INCREASE**

LINE NO.	DESCRIPTION	AMOUNT
1	DEFERRED (GAIN) RECORDED SINCE UE-040641 @ 12/31/2006	\$ (7,860,926)
2	DEFERRED LOSS RECORDED SINCE UE-040641 @ 12/31/2006	1,598,780
3	TOTAL DEFERRED NET (GAIN) LOSS TO AMORTIZE	<u>\$ (6,262,146)</u>
4		
5	AMORTIZATION OF DEFERRED NET (GAIN) LOSS FOR RATE YEAR (Line 3/3years)	(2,087,382)
6		
7	AMORTIZATION OF DEFERRED NET (GAIN) LOSS FOR TEST YEAR	<u>(2,115,303)</u>
8		
9	INCREASE (DECREASE) EXPENSE (Line 5 + Line 7)	\$ 27,921
10		
11	INCREASE (DECREASE) FIT @ 35%	<u>(9,772)</u>
12		
13	INCREASE (DECREASE) NOI	<u><u>\$ (18,149)</u></u>

**PUGET SOUND ENERGY-ELECTRIC  
PROPERTY & LIABILITY INSURANCE  
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2005  
GENERAL RATE INCREASE**

LINE NO.	DESCRIPTION	ACTUAL	PROFORMA	ADJUSTMENT
1	PROPERTY INSURANCE EXPENSE	\$ 2,030,563	\$ 1,827,828	(202,735)
2	LIABILITY INSURANCE EXPENSE	1,606,549	1,854,400	247,851
3	INCREASE(DECREASE) EXPENSE	\$ 3,637,112	\$ 3,682,228	\$ 45,116
4				
5	INCREASE (DECREASE) OPERATING EXPENSE			45,116
6				
7	INCREASE (DECREASE) FIT @	35%		(15,791)
8	INCREASE (DECREASE) NOI			<u>\$ (29,325)</u>



**PUGET SOUND ENERGY-ELECTRIC  
PENSION PLAN  
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2005  
GENERAL RATE INCREASE**

LINE NO.	DESCRIPTION	ACTUAL	RESTATED	ADJUSTMENT
1	QUALIFIED RETIREMENT FUND	\$ (1,507,257)	\$ 2,542,831	\$ 4,050,088
2	SERP PLAN	2,388,025	2,285,275	\$ (102,750)
3	INCREASE(DECREASE) EXPENSE	\$ 880,768	\$ 4,828,106	\$ 3,947,338
4				
5	INCREASE(DECREASE) OPERATING EXPENSE			3,947,338
6				
7	INCREASE (DECREASE) FIT @	35%		(1,381,568)
8	INCREASE (DECREASE) NOI			<u>\$ (2,565,770)</u>

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

LINE NO.	DESCRIPTION	TEST YEAR	RATE YEAR	ADJUSTMENT
1	WAGES:			
2	PURCHASED POWER	\$ 2,073,868	\$ 2,175,695	\$ 101,827
3	OTHER POWER SUPPLY	6,524,478	6,927,990	403,512
4	TRANSMISSION	1,067,904	1,125,138	57,234
5	DISTRIBUTION	17,251,184	18,348,759	1,097,575
6	CUSTOMER ACCTS	9,537,912	10,153,458	615,546
7	CUSTOMER SERVICE	1,218,362	1,286,446	68,084
8	SALES	438,652	460,190	21,538
9	ADMIN. & GENERAL	16,487,043	17,317,869	830,826
10	TOTAL WAGE INCREASE	54,599,403	57,795,545	3,196,142
11				
12	PAYROLL TAXES	4,965,352	5,166,144	200,792
13	TOTAL WAGES & TAXES	59,564,755	62,961,689	3,396,934
14				
15	INCREASE (DECREASE) OPERATING EXPENSE			\$ 3,396,934
16	INCREASE (DECREASE) FIT @ 35%			(1,188,927)
17	INCREASE (DECREASE) NOI			\$ (2,208,007)

**PUGET SOUND ENERGY-ELECTRIC  
INVESTMENT PLAN  
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2005  
GENERAL RATE INCREASE**

LINE NO.	DESCRIPTION		AMOUNT
1	<u>MANAGEMENT (INC. EXECUTIVES)</u>		
2	INVESTMENT PLAN APPLICABLE TO MANAGEMENT	\$	2,872,044
3	RATE YEAR MANAGEMENT WAGE INCREASE	4.91%	<u>141,017</u>
4	TOTAL COMPANY CONTRIBUTION FOR MANAGEMENT		3,013,061
5			
6	<u>IBEW</u>		
7	INVESTMENT PLAN APPLICABLE TO IBEW		708,111
8	RATE YEAR IBEW WAGE INCREASE	6.90%	<u>48,860</u>
9	TOTAL COMPANY CONTRIBUTION FOR IBEW		756,971
10			
11	<u>UA</u>		
12	INVESTMENT PLAN APPLICABLE TO UA		628,385
13	RATE YEAR UA WAGE INCREASE	6.89%	<u>43,296</u>
14	TOTAL COMPANY CONTRIBUTION FOR UA		<u>671,681</u>
15			
16	<u>TOTAL</u>		
17	TOTAL PROFORMA COSTS (LN 4 + LN 9 + 14)		4,441,713
18	PRO FORMA COSTS APPLICABLE TO OPERATIONS	62.32%	2,768,075
19	CHARGED TO EXPENSE FOR YEAR ENDED 9/30/2005		<u>2,622,762</u>
20	INCREASE (DECREASE) EXPENSE		145,313
21			
22	INCREASE (DECREASE) FIT @	35%	<u>(50,860)</u>
23	INCREASE (DECREASE) NOI		<u><u>(\$94,453)</u></u>

**PUGET SOUND ENERGY-ELECTRIC  
EMPLOYEE INSURANCE  
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2005  
GENERAL RATE INCREASE**

LINE NO.	DESCRIPTION	AMOUNT
1	<u>BENEFIT CONTRIBUTION:</u>	
2	SALARIED EMPLOYEES	\$ 6,164,462
3	UNION EMPLOYEES	5,915,225
4	PRO FORMA INSURANCE COSTS	<u>12,079,687</u>
5		
6	APPLICABLE TO OPERATIONS @ 62.32%	7,528,061
7	CHARGED TO EXPENSE 09/30/05	<u>6,497,873</u>
8	INCREASE(DECREASE) EXPENSE	1,030,188
9		
10	INCREASE(DECREASE) FIT @ 35%	<u>(360,566)</u>
11		
12	INCREASE(DECREASE) NOI	<u><u>\$ (669,622)</u></u>

**PUGET SOUND ENERGY-ELECTRIC  
MONTANA CORPORATE LICENSE TAX  
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2005  
GENERAL RATE INCREASE**

LINE NO.	DESCRIPTION	AMOUNT
1	ESTIMATED FEDERAL CURRENT COMBINED TAXABLE	
2	INCOME AT SEPTEMBER 30, 2005	\$ 245,743,045
3	ADD: INCREASE TO PRE-TAX INCOME FROM TAX BENEFIT OF	
4	PROFORMA INTEREST ADJUSTMENT 4.05	6,978,366
5	INCOME SUBJECT TO APPORTIONMENT	252,721,411
6		
7	MONTANA APPORTIONMENT FACTOR	6.48%
8	MONTANA TAXABLE INCOME	16,376,347
9		
10	PROFORMA MONTANA CORP. LIC. TAX	6.75% 1,105,403
11	CHARGED TO EXPENSE IN TEST YEAR	737,155
12		-
13	INCREASE (DECREASE) EXPENSE	368,248
14		
15	INCREASE (DECREASE) FIT @	35% (128,887)
16		-
17	INCREASE (DECREASE) NOI	\$ (239,361)

**PUGET SOUND ENERGY-ELECTRIC  
STORM DAMAGE  
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2005  
GENERAL RATE INCREASE**

LINE NO.	DESCRIPTION	AMOUNT		
1	<b>NORMAL STORMS</b>	<b>Transmission</b>	<b>Distribution</b>	<b>Total</b>
2	ACTUAL O&M:			
3	TWELVE MONTHS ENDED 9/30/00	\$ 166,215	\$ 2,374,579	\$ 2,540,794
4	TWELVE MONTHS ENDED 9/30/01	310,116	3,785,706	4,095,822
5	TWELVE MONTHS ENDED 9/30/02	(4,894)	6,583,315	6,578,421
6	TWELVE MONTHS ENDED 9/30/03	6,615	5,325,797	5,332,412
7	TWELVE MONTHS ENDED 9/30/04	202,197	12,072,103	12,274,300
8	TWELVE MONTHS ENDED 9/30/05	51,609	1,947,808	1,999,417
9	TOTAL NORMAL STORMS	<u>731,858</u>	<u>32,089,308</u>	<u>32,821,166</u>
10				
11	SIX-YEAR AVERAGE STORM EXPENSE FOR RATE YEAR	121,976	5,348,218	5,470,194
12				
13	CHARGED TO EXPENSE FOR TEST YEAR ENDED 9/30/05:			
14	STORM DAMAGE EXPENSE (LINE 8)	<u>51,609</u>	<u>1,947,808</u>	<u>1,999,417</u>
15				
16	INCREASE (DECREASE) OPERATING EXPENSE	70,367	3,400,410	3,470,777
17				
18	<b>CATASTROPHIC STORMS</b>			
19	ACTUAL DEFERRED BALANCES:			
20	12/4/03 WIND STORM AT BEGINNING OF RATE YEAR (1/1/07)		8,789,840	
21				
22	THREE-YEAR AMORTIZATION FOR RATE YEAR (LINE 20/3 YEARS)		2,929,947	
23				
24	LESS CATASTROPHIC STORM AMORT (PER UE-040641) FOR TEST YEAR		<u>6,096,698</u>	
25				
26	INCREASE (DECREASE) OPERATING EXPENSE (LINE 22 - LINE 24)			<u>(3,166,751)</u>
27				
28	TOTAL INCREASE (DECREASE) OPERATING EXPENSE (LINE 16 + LINE 26)			304,026
29				
30	INCREASE (DECREASE) FIT @ 35% (LINE 28 X 35%)			<u>(106,409)</u>
31				
32	INCREASE (DECREASE) NOI			<u>\$ (197,617)</u>

**PUGET SOUND ENERGY-ELECTRIC  
REGULATORY ASSETS AND LIABILITIES  
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2005  
GENERAL RATE INCREASE**

LINE NO.	DESCRIPTION	TEST YEAR	TEST YEAR	ADJUSTMENT
1	<b>REGULATORY ASSETS/LIABS AMORTIZATION EXPENSE</b>			
2	CABOT BUYOUT	\$ 2,064,250	\$ 3,078,000	\$ 1,013,750
3	TENASKA	17,117,000	24,343,000	7,226,000
4	BEP	3,526,620	3,526,620	-
5	WHITE RIVER PLANT COSTS	1,494,702	1,494,702	-
6	WHITE RIVER RELICENSING & CWIP	-	-	-
7	CANWEST	-	(3,797,503)	(3,797,503)
8	HOPKINS RIDGE PREPAID TRANSMISSION	----- INCLUDED IN ADJ. 4.10 -----		
9	TOTAL AMORTIZATION OF REGULATORY ASSETS/LIABS	<u>\$ 24,202,572</u>	<u>\$ 28,644,819</u>	\$ 4,442,247
10				
11	INCREASE (DECREASE) FIT		35%	<u>(1,554,786)</u>
12				
13	INCREASE (DECREASE) NOI			<u>\$ (2,887,461)</u>
14				
15				
16	<b>RATE BASE ADJUSTMENT</b>			
17	<u>AMA OF REGULATORY ASSET/LIABILITY NET OF ACCUM AMORT AND DFIT</u>			
18	CABOT	\$ 8,277,911	\$ 2,824,963	\$ (5,452,949)
19	TENASKA	186,285,686	142,925,042	(43,360,644)
20	BEP	29,405,053	24,007,413	(5,397,640)
21	WHITE RIVER PLANT COSTS	41,771,733	39,052,307	(2,719,426)
22	WHITE RIVER RELICENSING & CWIP	15,295,321	17,018,469	1,723,148
23	CANWEST	(2,732,242)	(2,468,377)	263,865
24	HOPKINS RIDGE PREPAID TRANSMISSION	----- INCLUDED IN ADJ. 4.10 -----		
25	TOTAL REGULATORY ASSETS/LIABS RATEBASE	<u>\$ 278,303,462</u>	<u>\$ 223,359,817</u>	\$ (54,943,645)

**PUGET SOUND ENERGY-ELECTRIC  
WILD HORSE WIND PLANT  
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2005  
GENERAL RATE INCREASE**

LINE NO.	DESCRIPTION	TEST YEAR	PROFORMA	ADJUSTMENT
1	<u>WILD HORSE RATE BASE</u>			
2	PLANT BALANCE	\$	- \$ 383,295,532	\$ 383,295,532
3	ACCUMULATED DEPRECIATION		(9,974,870)	(9,974,870)
4	DEFERRED TAX LIABILITY		(18,736,495)	(18,736,495)
5	DEFERRED TAX ASSET		199,782	199,782
6	WILD HORSE RATE BASE	\$	- \$ 354,783,949	\$ 354,783,949
7				
8	<u>WILD HORSE OPERATING EXPENSES:</u>			
9	DEPRECIATION EXPENSE	\$	- \$ 18,835,795	\$ 18,835,795
10				
11	<u>POWER COSTS &amp; PRODUCTION O&amp;M RELATED TO WILD HORSE</u>			
12	565 - WHEELING		2,728,405	2,728,405
13	PRODUCTION O&M		9,921,354	9,921,354
14	PROPERTY INSURANCE		264,209	264,209
15	PLANT PROPERTY TAXES		2,457,440	2,457,440
16	TOTAL O&M & POWER COST		15,371,408	15,371,408
17				
18	TOTAL PRODUCTION O&M & OPERATING EXPENSE		\$ 34,207,203	\$ 34,207,203
19				
20	INCREASE (DECREASE) EXPENSE		34,207,203	34,207,203
21				
22	INCREASE (DECREASE) FIT @		35%	(11,972,521)
23	INCREASE (DECREASE) NOI			\$ (22,234,682)



**PUGET SOUND ENERGY-ELECTRIC  
INCENTIVE PAY  
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2005  
GENERAL RATE INCREASE**

LINE NO.	DESCRIPTION	ACTUAL	PROFORMA RESTATED	ADJUSTMENT
1	<u>OPERATING EXPENSES ( RESTATED)</u>			
2	PURCHASED POWER	\$ 180,395	\$ 140,377	\$ (40,018)
3	OTHER POWER SUPPLY	567,295	446,998	(120,297)
4	TRANSMISSION	93,046	72,595	(20,451)
5	DISTRIBUTION	1,500,126	1,183,874	(316,252)
6	CUSTOMER ACCTS	829,342	655,108	(174,234)
7	CUSTOMER SERVICE	105,389	83,002	(22,387)
8	SALES	37,978	29,692	(8,286)
9	ADMIN. & GENERAL	1,433,665	1,117,360	(316,305)
10	TOTAL INCENTIVE/MERIT PAY	\$ 4,747,236	\$ 3,729,006	\$ (1,018,230)
11				
12	PAYROLL TAXES ASSOC WITH MERIT PAY	330,408	259,539	(70,869)
13	INCREASE(DECREASE) EXPENSE	5,077,644	3,988,545	(1,089,099)
14				
15	INCREASE (DECREASE) OPERATING EXPENSE			(1,089,099)
16				
17	INCREASE (DECREASE) FIT @		35%	381,185
18	INCREASE (DECREASE) NOI			\$ 707,914

**PUGET SOUND ENERGY-ELECTRIC  
GENERAL OFFICE RELOCATION  
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2005  
GENERAL RATE INCREASE**

LINE NO.	DESCRIPTION	ACTUAL	PROFORMA RESTATED	ADJUSTMENT
1	<u>OPERATING EXPENSES ( PROFORMA)</u>			
2	GENERAL OFFICE BUILDING - PROPERTY TAXES	\$ 143,284	\$ -	\$ (143,284)
3	GENERAL OFFICE BUILDING - PROPERTY INSURANCE	5,107	-	(5,107)
4	GENERAL OFFICE BUILDING - DEPRECIATION (EOP)	114,075	-	(114,075)
5	CROSSROADS BUILDING - PROPERTY TAXES	30,850	-	(30,850)
6	CROSSROADS BUILDING - PROPERTY INSURANCE	1,082	-	(1,082)
7	CROSSROADS BUILDING - DEPRECIATION (EOP)	114,781	-	(114,781)
8		<u>\$ 409,179</u>	<u>\$0</u>	<u>\$ (409,179)</u>
9				
10	<u>OPERATING EXPENSES ( RESTATED)</u>			
11	PSE(E) - LEASE COSTS	\$ 81,923	\$ 2,959,751	\$ 2,877,828
12	PSE(E) - LEASEHOLD IMPROVEMENTS AMORTIZATION (NOTE 1)	(74,598)	(559,487)	(484,889)
13	PSE(E) - PROPERTY TAXES	-	92,439	92,439
14	PSE(E) - PROPERTY INSURANCE	-	1,843	1,843
15		<u>\$ 7,325</u>	<u>\$ 2,494,546</u>	<u>\$ 2,487,221</u>
16				
17	INCREASE(DECREASE ) IN EXPENSE	\$ 416,504	\$ 2,494,546	2,078,042
18				
19	INCREASE (DECREASE) FIT @		35%	(727,315)
20	INCREASE (DECREASE) NOI			<u>\$ (1,350,727)</u>
21				
22	<u>ADJUSTMENT TO RATEBASE</u>			
23	GENERAL OFFICE BUILDING	\$ 3,440,738	\$ -	\$ (3,440,738)
24	ACCUM DEPRECIATION	(1,210,052)	-	1,210,052
25	DEFERRED INCOME TAX	(574,277)	-	574,277
26	NET GENERAL OFFICE BUILDING	<u>\$ 1,656,409</u>	<u>\$ -</u>	<u>\$ (1,656,409)</u>
27				
28	CROSSROADS BUILDING	\$ 3,417,195	\$ -	\$ (3,417,195)
29	ACCUM DEPRECIATION	(1,593,968)	-	1,593,968
30	DEFERRED INCOME TAX	(340,033)	-	340,033
31	NET CROSSROADS BUILDING	<u>\$ 1,483,194</u>	<u>\$ -</u>	<u>\$ (1,483,194)</u>
32				
33	TOTAL ADJUSTMENT TO RATE BASE	<u>\$ 3,139,603</u>	<u>\$ -</u>	<u>\$ (3,139,603)</u>

**PUGET SOUND ENERGY-ELECTRIC  
OTHER AMORTIZATION  
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2005  
GENERAL RATE INCREASE**

LINE NO.	DESCRIPTION	AMOUNT
1	LOW INCOME AMORTIZATION FOR TEST YEAR	\$ 7,598,385
2	GREEN POWER TAGS PROGRAM - REMOVED IN POWER COST ADJUSTMENT PAGE 4.03	-
3	GREEN POWER PROGRAM EXPENSE AND NET REVENUE	195,379
4	AMORTIZATION / EXPENSES WITH OFFSETTING REVENUES ADJUSTED ON PAGE 4.02	\$ 7,793,764
5		
6	RESTATED AMOUNT	-
7		
8	INCREASE (DECREASE) OPERATING EXPENSES	(7,793,764)
9		
10	INCREASE(DECREASE) FIT @	35% 2,727,818
11		
12	INCREASE(DECREASE) NET OPERATING INCOME	\$ 5,065,947

**PUGET SOUND ENERGY  
DEMAND RESPONSE PROGRAM  
FOR TWELVE MONTHS ENDED SEPTEMBER 30, 2005  
GENERAL RATE INCREASE**

LINE NO.	DESCRIPTION	ACTUAL	PROFORMA	ADJUSTMENT
1	<u>OPERATING EXPENSES</u>			
2	DEMAND RESPONSE PROGRAM	\$ -	\$ 3,000,000	\$ 3,000,000
3	TOTAL DEMAND RESPONSE	-	3,000,000	3,000,000
4				
5				
6	INCREASE(DECREASE ) IN EXPENSE	\$ -	\$ 3,000,000	\$ 3,000,000
7				
8	INCREASE (DECREASE) OPERATING EXPENSE			3,000,000
9	INCREASE (DECREASE) FIT @		35%	(1,050,000)
10				
11	INCREASE (DECREASE) NOI			<u>\$ (1,950,000)</u>

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

LINE NO.	DESCRIPTION	TEST YEAR	RESTATED	ADJUSTMENT
1	<u>NET OPERATING INCOME:</u>			
2				
3	DEPRECIATION EXPENSE (FERC 403)	\$ 129,657,905	\$ 129,657,905	\$ -
4				
5	AMORTIZATION EXPENSE:			
6	WUTC AFUDC PLANT ACQUISITION ADJUSTMENT	1,255,849	1,255,849	-
7				
8	INCREASE (DECREASE) NET OPERATING INCOME	130,913,754	130,913,754	\$ -
9				
10	INCREASE (DECREASE) FIT @		35%	-
11	INCREASE (DECREASE) NOI		\$	-
12				
13				
14				
15	ADJUST RATE BASE FOR LINE 8			
16	UTILITY PLANT IN SERVICE (50% x LINE 3)			\$ -
17	DEFERRED DEBITS (50% X LINE 6)			-
18	TOTAL ADJUSTMENT TO RATEBASE		50%	-

**PUGET SOUND ENERGY-ELECTRIC  
PRODUCTION ADJUSTMENT  
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2005  
GENERAL RATE INCREASE**

LINE NO.	DESCRIPTION	PROFORMA AND RESTATED	PRODUCTION 0.891%	FIT 35%
1	<b><u>O&amp;M ON PRODUCTION PROPERTY</u></b>			
2	PRODUCTION WAGE INCREASE AND INCENTIVE:			
3	PURCHASED POWER	\$ 61,809	\$ (551)	\$ 193
4	OTHER POWER SUPPLY	283,215	(2,523)	883
5	TOTAL PRODUCTION WAGE INCREASE	<u>345,024</u>	<u>(3,074)</u>	<u>1,076</u>
6				
7	WIND PLANT POWER COSTS AND PRODUCTION O&M:			
8	565 - WHEELING	2,728,405	(24,310)	8,509
9	PRODUCTION O&M	14,650,354	(130,535)	45,687
10	TOTAL WILD HORSE POWER COSTS AND PRODUCTION O&M	<u>17,378,759</u>	<u>(154,845)</u>	<u>54,196</u>
11				
12	ADMIN & GENERAL EXPENSES			
13	PAYROLL OVERHEADS	1,086,842	(9,684)	3,389
14	PROPERTY INSURANCE	1,970,189	(17,554)	6,144
15	TOTAL ADMIN & GENERAL EXPENSES	<u>3,057,031</u>	<u>(27,238)</u>	<u>9,533</u>
16				
17	DEPRECIATION / AMORTIZATION:			
18	DEPRECIATION	65,700,547	(585,392)	166,941
19	AMORTIZATION (OTHER THAN REGULATORY ASSETS/LIAB)	2,987,580	(26,619)	8,194
20	TOTAL DEPRECIATION AND AMORTIZATION (FERC 403)	<u>68,688,127</u>	<u>(612,011)</u>	<u>175,136</u>
21	TAXES OTHER-PRODUCTION PROPERTY:			
22	PROPERTY TAXES - WASHINGTON	6,957,804	(61,994)	21,698
23	PROPERTY TAXES - MONTANA	5,850,258	(52,126)	18,244
24	ELECTRIC ENERGY TAX	1,719,835	(15,324)	5,363
25	PAYROLL TAXES	529,004	(4,713)	1,650
26	TOTAL TAXES OTHER	<u>15,056,901</u>	<u>(134,157)</u>	<u>46,955</u>
27				
28	<b><u>O&amp;M ON REGULATORY ASSETS:</u></b>			
29	CABOT	\$ 3,078,000	(27,425)	9,599
30	TENASKA	24,343,000	(216,896)	75,914
31	BEP	3,526,620	(31,422)	10,998
32	WHITE RIVER PLANT COSTS	1,494,702	(13,318)	4,661
33	WHITE RIVER RELICENSING & CWIP	-	-	-
34	CANWEST	(3,797,503)	33,836	(11,843)
35	HOPKINS RIDGE PREPAID TRANSMISSION	1,653,530	(14,733)	5,157
36	TOTAL ADJUSTMENT TO O&M ON REGULATORY ASSETS	<u>\$ 30,298,349</u>	<u>\$ (269,958)</u>	<u>\$ 94,486</u>
37	INCREASE(DECREASE) EXPENSE		(1,201,284)	
38	INCREASE(DECREASE) FIT			381,382
39	INCREASE(DECREASE) NOI			<u>\$ 819,902</u>
40				
41	<b><u>PRODUCTION PROPERTY RATE BASE:</u></b>			
42	DEPRECIABLE PRODUCTION PROPERTY	\$ 1,699,912,438	\$ (15,146,220)	
43	LESS PRODUCTION PROPERTY ACCUM DEPR.	(664,968,132)	5,924,866	
44	NON-DEPRECIABLE PRODUCTION PROPERTY	51,671,468	(460,393)	
45	LESS PRODUCTION PROPERTY ACCUM AMORT.	(3,018,492)	26,895	
46	COLSTRIP COMMON FERC ADJUSTMENT	6,809,639	(60,674)	
47	COLSTRIP DEFERRED DEPRECIATION FERC ADJ.	2,006,346	(17,877)	
48	ENCODEN ACQUISITION ADJUSTMENT	46,646,833	(415,623)	
49	NET PRODUCTION PROPERTY	<u>1,139,060,099</u>	<u>(10,149,026)</u>	
50	DEDUCT:			
51	LIBR. DEPREC. PRE 1981 (AMA)	(669,177)	5,962	
52	LIBR. DEPREC. POST 1980 (AMA)	(122,639,761)	1,092,720	
53	OTHER DEF. TAXES (AMA)	(4,050,958)	36,094	
54	SUBTOTAL	<u>(127,359,896)</u>	<u>1,134,776</u>	
55				
56	ADJUSTMENT TO PRODUCTION RATE BASE	<u>\$ 1,011,700,203</u>	<u>\$ (9,014,250)</u>	<u>\$ 1,002,685,953</u>
57				
58	<b><u>REGULATORY ASSETS RATE BASE:</u></b>			
59	CABOT	2,824,963	(25,170)	
60	TENASKA	142,925,042	(1,273,462)	
61	BEP	24,007,413	(213,906)	
62	WHITE RIVER PLANT COSTS	39,052,307	(347,956)	
63	WHITE RIVER RELICENSING & CWIP	17,018,469	(151,635)	
64	CANWEST	(2,468,377)	21,993	
65	HOPKINS RIDGE PREPAID TRANSMISSION	8,742,500	(77,896)	
66				
67	ADJUSTMENT TO REGULATORY ASSETS RATE BASE	<u>\$ 232,102,317</u>	<u>\$ (2,068,032)</u>	<u>\$ 230,034,285</u>
68				
69	TOTAL ADJUSTMENT TO RATEBASE (LINE 56 + LINE 67)		<u>\$ (11,082,282)</u>	