EXHIBIT NO. __(KRK-4)
DOCKET NO. UE-06__/UG-06__
2006 PSE GENERAL RATE CASE
WITNESS: KARL R. KARZMAR

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION,	
Complainant,	
v.	Docket No. UE-06 Docket No. UG-06
PUGET SOUND ENERGY, INC.,	
Respondent.	

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

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

LINE NO.			ACTUAL RESULTS OF PERATIONS	A	TOTAL DJUSTMENTS	I	ADJUSTED RESULTS OF OPERATIONS		REVENUE REQUIREMENT DEFICIENCY		AFTER RATE INCREASE
1	OPERATING REVENUES:		000 001 006				042.046.610		10 120 050		004.007.570
2	SALES TO CUSTOMERS	\$	829,271,796	\$	114,574,814		943,846,610	\$	40,439,958	\$	984,286,568
3	MUNICIPAL ADDITIONS		34,729,596		(34,729,596)		-		-		-
4	OTHER OPERATING REVENUES	\$	15,438,897	ф	1,616,195	¢.	17,055,092		- 0.40 420 050	ф	17,055,092
5	TOTAL OPERATING REVENUES	2	879,440,289	\$	81,461,413	2	960,901,702		\$40,439,958	\$	1,001,341,660
6 7											
8	OPERATING REVENUE DEDUCTIONS:										
9	OPERATING REVENUE DEDUCTIONS.										
10	CAR COSTS.										
10	GAS COSTS:										
12	PURCHASED GAS	\$	539,655,901	¢	91,599,470	¢	631,255,371	¢		\$	631,255,371
13	I OKCHASED GAS	Φ	339,033,901	Ф	91,399,470	Φ	031,233,371	Ф	-	Ф	031,233,371
14	TOTAL PRODUCTION EXPENSES	\$	539,655,901	¢	91,599,470	ç	631,255,371	\$		\$	631,255,371
15	TOTAL TRODUCTION EXICENSES	Ψ	337,033,701	Ψ	71,377,470	Ψ	031,233,371	Ψ		Ψ	031,233,371
16	OTHER POWER SUPPLY EXPENSES	\$	1,520,542	\$	35,285	\$	1,555,827	\$	_	\$	1,555,827
17	TRANSMISSION EXPENSE	Ψ.	445,738	Ψ	8,247	Ψ	453,985	Ψ		Ψ	453,985
18	DISTRIBUTION EXPENSE		33,307,919		745,866		34,053,785				34,053,785
19	CUSTOMER ACCOUNT EXPENSES		22,239,694		1,041,532		23,281,226		137,611		23,418,837
20	CUSTOMER SERVICE EXPENSES		3,914,552		(2,055,278)		1,859,274				1,859,274
21	CONSERVATION AMORTIZATION		3,454,161		(3,454,161)		-				-
22	ADMIN & GENERAL EXPENSE		36,522,434		5,592,178		42,114,612		76,836		42,191,448
23	DEPRECIATION		64,997,955		(41,961)		64,955,994				64,955,994
24	AMORTIZATION		11,302,712		0		11,302,712				11,302,712
25	AMORTIZATION OF PROPERTY LOSS		3,287		0		3,287				3,287
26	OTHER OPERATING EXPENSES		150,234		717,990		868,224				868,224
27	FAS 133		-		0		-				-
28	TAXES OTHER THAN INCOME TAXES		83,922,287		(32,114,102)		51,808,185		1,552,446		53,360,631
29	INCOME TAXES		9,529,694		1,418,155		10,947,849		13,535,573		24,483,421
30	DEFERRED INCOME TAXES		(4,023,283)		12,203,333		8,180,050				8,180,050
31	TOTAL OPERATING REV. DEDUCT.	\$	267,287,926	\$	(15,902,918)	\$	251,385,008	\$	15,302,466	\$	266,687,475
32											
33	NET OPERATING INCOME	\$	72,496,462	\$	5,764,861	\$	78,261,323	\$	25,137,492	\$	103,398,815
34											
35	RATE BASE	\$	1,179,240,567		\$1,111,176	\$	1,180,351,743	\$	-	\$	1,180,351,743
36 37	RATE OF RETURN		6.15%				6.63%				8.76%
38	RATE OF RETURN		0.1376				0.0370				8.7070
39	RATE BASE:										
40	UTILITY PLANT IN SERVICE	\$	2,007,347,617	\$	(901,242)	\$	2,006,446,375				
41	ACCUMULATED DEPRECIATION		(650,335,811)		1,503,898		(648,831,913)				
42	ACCUMULATED DEFERRED FIT - LIBERALIZED		(174,512,354)		508,520		(174,003,834)				
43 44	OTHER TOTAL NET INVESTMENT	<u></u>	(14,234,907)	e	1111177	e	(14,234,907)				
44 45		3	1,168,264,545 10,976,022	Ф	1,111,176	\$	1,169,375,721				
45 46	ALLOWANCE FOR WORKING CAPITAL TOTAL RATE BASE	\$	1,179,240,567	\$	1,111,176	s	10,976,022				
70	. O Rette bride	Ψ	1,17,270,307	Ψ	1,111,1/0	Ψ	1,100,331,743				

2,857,353 \$

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

······· ACTUAL RESULTS OF REVENUE & FEDERAL TAX BENEFIT OF CONSERVATION BAD MISCELLANEOUS PROPERTY LINE OPERATIONS EXPENSES INCOME TAX PRO FORMA INTEREST DEBTS OPERATING EXPENSE TAXES 12ME Sept. 30, 2005 4.01 NO. 4.02 4.03 4.04 4.05 4.06 4.07 1 OPERATING REVENUES \$ 829,271,796 \$ 114,290,759 \$ - \$ - \$ - \$ SALES TO CUSTOMERS - \$ - \$ 2 MUNICIPAL ADDITIONS 34,729,596 (34,729,596)OTHER OPERATING REVENUES 15,438,897 1,616,195 TOTAL OPERATING REVENUES 879,440,289 \$ 81,177,358 \$ 6 OPERATING REVENUE DEDUCTIONS: 9 10 GAS COSTS: 11 12 PURCHASED GAS \$ 539,655,901 \$ 91,599,470 \$ - \$ - \$ - \$ - \$ - \$ 13 TOTAL PRODUCTION EXPENSES 91,599,470 \$ 14 \$ 539.655.901 \$ - \$ - \$ - \$ - \$ - \$ 15 16 OTHER ENERGY SUPPLY EXPENSES \$ 1,520,542 \$ - \$ - \$ - \$ - \$ - \$ - \$ 17 TRANSMISSION EXPENSE 445,738 DISTRIBUTION EXPENSE 33,307,919 CUSTOMER ACCTS EXPENSES 22,239,694 276.235 363.605 20 CUSTOMER SERVICE EXPENSES 3,914,552 21 CONSERVATION AMORTIZATION 3,454,161 (3,454,161) 22 ADMIN & GENERAL EXPENSE 36,522,434 154,237 151,225 23 DEPRECIATION 64,997,955 85,324 AMORTIZATION 11.302.712 AMORTIZATION OF PROPERTY LOSS 3,287 OTHER OPERATING EXPENSES 150,234 1,420,883 27 FAS 133 TAXES OTHER THAN INCOME TAXES 83,922,287 44,121 28 (31,605,545)29 INCOME TAXES 9,529,694 7,263,536 (12,694,120)7,280,941 1,208,956 (127,262)(580,101)(15,442)30 DEFERRED INCOME TAXES (4,023,283)12,203,333 TOTAL OPERATING REV. DEDUCT. 7,280,941 \$ (2,245,205) \$ 1,077,331 \$ 28,679 31 267,287,926 \$ (23,911,537) \$ (490,787) \$ 236,343 \$ 32 33 NET OPERATING INCOME \$ 72,496,462 \$ 13,489,425 \$ 490,787 \$ (7,280,941) \$ 2,245,205 \$ (236,343) \$ (1,077,331) \$ (28,679) 34 35 RATE BASE \$ 1,179,240,567 \$ 2,857,353 36 37 RATE OF RETURN 6.15% 38 39 RATE BASE: 40 UTILITY PLANT IN SERVICE \$ 2,007,347,617 \$ - \$ - \$ - \$ - \$ - \$ 2,912,989 \$ (650,335,811) 41 ACCUMULATED DEPRECIATION (55,636) 42 ACCUMULATED DEFERRED FIT - LIBERALIZED (174,512,354) 43 OTHER (14,234,907) TOTAL NET INVESTMENT 1,168,264,545 \$ 2,857,353 \$

- \$

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- \$

- \$

- \$

ALLOWANCE FOR WORKING CAPITAL

TOTAL RATE BASE

10,976,022

1,179,240,567 \$

45

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

NEATH NO. NEATH NO. NEATH NO. NEATH NO. NEATH NEAT						>>>>>>>>>>					
OPERATING REVENUES				ING FEE							INCENTIVE PAY
SAIRSTOCISTOMERS S S S S S S S S S											
MUNICIPAL ADDITIONS	1										
OFFICE OFFICE AND REVENUES TOTAL OPERATING REVENUES TOTAL OPERATING REVENUE DEDUCTIONS: OFFICE AND REVENUE DEDUCTIONS: OFF			\$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	-
OFFICE ATTION PROPERTY LOSS S S S S S S S S S											
OPERATING REVENUE DEDUCTIONS:											
OPERATING REVENUE DEDUCTIONS	•	TOTAL OPERATING REVENUES	\$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	-
PRINCIPATION OF PROPERTY LOSS 1 10 10 10 10 10 10 1											
GAS COSTS: 10	,										
Fig. GAS COSTS	8	OPERATING REVENUE DEDUCTIONS:									
1	9										
1	10	GAS COSTS:									
14	11										
TOTAL PRODUCTION EXPENSES S	12	PURCHASED GAS	\$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	-
16	13										
10	14	TOTAL PRODUCTION EXPENSES	\$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	-
18	15										
1,874 STANSMISSON EXPENSE 1,874 1,053,669 307,803 307,803 307,803 307,803 307,803 307,803 307,803 307,803 307,803 307,803 307,803 307,803 307,803 307,803 307,803 307,803 307,803 307,803 307,803 307,803 307,803 307,803 307,803 307,803 307,803 307,803 307,803 307,803 307,803 307,803 307,803 307,803 307,803 307,803 307,803 307,803 307,803 307,803 307,803 307,803 307,803 307,803 307,803 307,803 307,803 307,803 307,803 307,803 307,803 307,803 307,803 307,803 307,803 307,803 307,803 307,803 307,803 307,803 307,803 307,803 307,803 307,803 307,803 307,803 307,803 307,803 307,803 307,803 307,803 307,803 307,803 307,803 307,803 307,803 307,803 307,803 307,803 307,803 307,803 307,803 307,803 307,803 307,803 307,803 307,803 307,803 307,803 307,803 307,803 307,803 307,803 307,803 307,803 307,803 307,803 307,803 307,803 307,803 307,803 307,803 307,803 307,803 307,803 307,803 307,803 307,803 307,803 307,803 307,803 307,803 307,803 307,803 307,803 307,803 307,803 307,803 307,803 307,803 307,803 307,803 307,803 307,803 307,803 307,803 307,803 307,803 307,803 307,803 307,803 307,803 307,803 307,803 307,803 307,803 307,803 307,803 307,803 307,803 307,803 307,803 307,803 307,803 307,803 307,803 307,803 307,803 307,803 307,803 307,803 307,803 307,803 307,803 307,803 307,803 307,803 307,803 307,803 307,803 307,803 307,803 307,803 307,803 307,803 307,803 307,803 307,803 307,803 307,803 307,803 307,803 307,803 307,803 307,803 307,803 307,803 307,803 307,803 307,803 307,803 307,803 307,803 307,803 307,803 307,803 307,803 307,803 307,803 307,803 307,803 307,803 307,803 307,803 307,803 307,803 307,803 307,803 307,803 307,803 307,803 307,	16	OTHER ENERGY SUPPLY EXPENSES	\$	- \$	- \$	- S	- S	52.213 \$	- S	- S	(16.928)
18			•	•		·			•	·	` ' '
19											
CUSTOMER SERVICE EXPENSES CUSTOMER SERVICE EXPENSES CUSTOMER SERVICE EXPENSES CUSTOMER SERVICE EXPENSE CUSTOMER SERVICE CUSTOMER SERVICE EXPENSE CUSTOMER SERVICE EXPENSE CUSTOMER SERVICE											
CONSERVATION AMORTIZATION CONSERVATION CO											
ADMIN & GENERAL EXPENSE (1,544) 421,121 55,198 2,466,940 458,273 90,797 643,825 (172,006)								01,002			(22,010)
DEPRECIATION AMORTIZATION MORTIZATION OP PROPERTY LOSS OTHER OPERATING EXPENSES TAXES OTHER THAN INCOME TAXES OEFERRED INCOME TAXES TOTAL OPERATING INCOME S 389,325 \$ (273,728) \$ (35,879) \$ (1,603,511) \$ (1,393,820) \$ (59,018) \$ (418,486) \$ (442,417) TOTAL OPERATING INCOME ARTE BASE RATE BASE TUILITY PLANT IN SERVICE S 3 - S - S - S - S - S - S - S - S - S				(1.544)	421 121	55 198	2 466 940	458 273	90 797	643 825	(172,006)
AMORTIZATION AMORTIZATION OF PROPERTY LOSS OTHER OFFRATNING EXPENSES FAS 133 ZE TAXES OTHER THAN INCOME TAXES (597,418)				(1,544)	721,121	33,176	2,400,740	430,273	70,777	045,625	(172,000)
26 OTHER OPERATING EXPENSES 27 FAS 133 28 TAXES OTHER THAN INCOME TAXES (597,418) 123,562 (44,290) 29 INCOME TAXES (297,418) (863,429) (750,518) (31,779) (225,339) 238,225 30 DEFERRED INCOME TAXES 31 TOTAL OPERATING REV. DEDUCT. \$ (389,325) \$ 273,728 \$ 35,879 \$ 1,603,511 \$ 1,393,820 \$ 59,018 \$ 418,486 \$ (442,417) 32 33 NET OPERATING INCOME \$ 3,89,325 \$ (273,728) \$ (35,879) \$ (1,603,511) \$ (1,603,511) \$ (3,93,820) \$ (59,018) \$ (418,486) \$ 442,417 34 35 RATE BASE 36 RATE OF RETURN 37 RATE OF RETURN 38 4 4 4 TOTAL MERCH TO DEFERECIATION ACCUMULATED DEFRECIATION ACCUMU											
26 OTHER OPERATING EXPENSES 27 FAS 133 28 TAXES OTHER THAN INCOME TAXES (597,418)											
27 FAS 133 28 TAXES OTHER THAN INCOME TAXES (597,418) (19,319) (863,429) (750,518) (31,779) (225,339) (225,339) 238,225 29 INCOME TAXES (209,637 \$ (147,392) (19,319) (863,429) (750,518) (31,779) (225,339) 238,225 30 DEFERRED INCOME TAXES 31 TOTAL OPERATING REV. DEDUCT. (389,325) \$ 273,728 \$ 35,879 \$ 1,603,511 \$ 1,393,820 \$ 59,018 \$ 418,486 \$ (442,417) 32 33 NET OPERATING INCOME \$ 389,325 \$ (273,728) \$ (35,879) \$ (1,603,511) \$ (1,393,820) \$ (59,018) \$ (418,486) \$ 442,417 34 35 RATE BASE 40 UTILITY PLANT IN SERVICE \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$ \$ - \$											
TAXES OTHER THAN INCOME TAXES											
29											
DEFERED INCOME TAXES 1 TOTAL OPERATING REV. DEDUCT. \$ (389,325) \$ 273,728 \$ 35,879 \$ 1,603,511 \$ 1,393,820 \$ 59,018 \$ 418,486 \$ (442,417) 32 33 NET OPERATING INCOME \$ 389,325 \$ (273,728) \$ (35,879) \$ (1,603,511) \$ (1,393,820) \$ (59,018) \$ (418,486) \$ 442,417 34 35 RATE BASE 36 37 RATE OF RETURN 38 39 RATE BASE: 40 UTILITY PLANT IN SERVICE 41 ACCUMULATED DEPRECIATION 42 ACCUMULATED DEPRECIATION 43 OTHER 44 TOTAL NET INVESTMENT \$ \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ -											
31 TOTAL OPERATING REV. DEDUCT. \$ (389,325) \$ 273,728 \$ 35,879 \$ 1,603,511 \$ 1,393,820 \$ 59,018 \$ 418,486 \$ (442,417) 32 33 NET OPERATING INCOME \$ 389,325 \$ (273,728) \$ (35,879) \$ (1,603,511) \$ (1,393,820) \$ (59,018) \$ (418,486) \$ 442,417 34 ATTE BASE 36 ATTE BASE 39 RATE BASE: 40 UTILITY PLANT IN SERVICE \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$				209,637 \$	(147,392)	(19,319)	(863,429)	(750,518)	(31,779)	(225,339)	238,225
32 33 NET OPERATING INCOME \$ 389,325 \$ (273,728) \$ (35,879) \$ (1,603,511) \$ (1,393,820) \$ (59,018) \$ (418,486) \$ 442,417 34 35 RATE BASE 36 37 RATE OF RETURN 38 39 RATE BASE: 40 UTILITY PLANT IN SERVICE \$ \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ 41 ACCUMULATED DEPRECIATION 42 ACCUMULATED DEFERRED FIT - LIBERALIZED 43 OTHER 44 TOTAL NET INVESTMENT \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ 45 ALLOWANCE FOR WORKING CAPITAL											
33 NET OPERATING INCOME \$ 389,325 \$ (273,728) \$ (35,879) \$ (1,603,511) \$ (1,393,820) \$ (59,018) \$ (418,486) \$ 442,417		TOTAL OPERATING REV. DEDUCT.	\$	(389,325) \$	273,728 \$	35,879 \$	1,603,511 \$	1,393,820 \$	59,018 \$	418,486 \$	(442,417)
34 35 RATE BASE 36 37 RATE OF RETURN 38 39 RATE BASE: 40 UTILITY PLANT IN SERVICE \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$											
35 RATE BASE 36 37 RATE OF RETURN 38 39 RATE BASE: 40 UTILITY PLANT IN SERVICE \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$		NET OPERATING INCOME	\$	389,325 \$	(273,728) \$	(35,879) \$	(1,603,511) \$	(1,393,820) \$	(59,018) \$	(418,486) \$	442,417
36 37 RATE OF RETURN 38 39 RATE BASE: 40 UTILITY PLANT IN SERVICE \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$											
37 RATE OF RETURN 38 39 RATE BASE: 40 UTILITY PLANT IN SERVICE \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$		RATE BASE									
38 39 RATE BASE: 40 UTILITY PLANT IN SERVICE \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$		DATE OF DETUDN									
39 RATE BASE: 40 UTILITY PLANT IN SERVICE \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ 41 ACCUMULATED DEPRECIATION 42 ACCUMULATED DEFERRED FIT - LIBERALIZED 43 OTHER 44 TOTAL NET INVESTMENT \$ - \$ - \$ - \$ - \$ - \$ - \$ 45 ALLOWANCE FOR WORKING CAPITAL		RATE OF RETURN									
40 UTILITY PLANT IN SERVICE \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$		DATE DACE.									
41 ACCUMULATED DEPRECIATION 42 ACCUMULATED DEFERRED FIT - LIBERALIZED 43 OTHER 44 TOTAL NET INVESTMENT \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$			\$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	_
42 ACCUMULATED DEFERRED FIT - LIBERALIZED 43 OTHER 44 TOTAL NET INVESTMENT \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$			Ψ	Ψ	Ψ	y .	y.	Ψ	ý.	ψ	
43 OTHER 44 TOTAL NET INVESTMENT \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$											
45 ALLOWANCE FOR WORKING CAPITAL											
	44	TOTAL NET INVESTMENT	\$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	-
46 TOTAL RATE BASE \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$											
	46	TOTAL RATE BASE	\$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	-

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

		>>>>>>	·>>>>>	>>>>>	·>>>>>	>>>>	·>>>>>	>>>>	>>>>>>	>>>>>	>>>>>	>>>>	>>>>>>	>>>>	>>>>>>	>>>>>>>	>>>>	·>>>>
		INT	EREST ON	DEF	ERRED GAINS/	GE	NERAL OFFICE	LO	W INCOME	D&	'n	F	VERETT	DE	PRECIATION	TOTAL	4	ADJUSTED
LINE			IER DEPOSITS		ES PROP SALES				ORTIZATIO!				DELTA	DL	RECEITION	ADJUSTMENTS		ESULTS OF
NO.		CUSTON	4.16	LUSS	4.17	•	4.18	INIC	4.19	4.3			4.21		4.22	ADJUSTMENTS		PERATIONS
1	OPERATING REVENUES																	
2	SALES TO CUSTOMERS	\$	-									\$	284,055	\$	- S	114,574,814	\$	943,846,610
3	MUNICIPAL ADDITIONS															(34,729,596)		-
4	OTHER OPERATING REVENUES															1,616,195		17,055,092
5	TOTAL OPERATING REVENUES	\$	-	\$	-	\$	-			\$	-	\$	284,055	\$	- \$	81,461,413	\$	960,901,702
6																		
7																		
8	OPERATING REVENUE DEDUCTIONS:																	
9																		
10	GAS COSTS:																	
11																		
12	PURCHASED GAS	\$	-											\$	- \$	91,599,470	\$	631,255,371
13																		
14	TOTAL PRODUCTION EXPENSES	\$	-	\$	-	\$	-			\$	-	\$	-	\$	- S	91,599,470	\$	631,255,371
15																		
16	OTHER ENERGY SUPPLY EXPENSES													\$	- S	35,285	\$	1,555,827
17	TRANSMISSION EXPENSE															8,247		453,985
18	DISTRIBUTION EXPENSE															745,866		34,053,785
19	CUSTOMER ACCTS EXPENSES		131,750										967			1,041,532		23,281,226
20	CUSTOMER SERVICE EXPENSES								(2,095,062)							(2,055,278)		1,859,274
21	CONSERVATION AMORTIZATION								(,,)							(3,454,161)		-
22	ADMIN & GENERAL EXPENSE						1,328,483				(4,910)		540			5,592,178		42,114,612
23	DEPRECIATION						(127,285)	,			(.,,)				_	(41,961)		64,955,994
24	AMORTIZATION						(127,200)									(11,701)		11,302,712
25	AMORTIZATION OF PROPERTY LOSS															_		3,287
26	OTHER OPERATING EXPENSES				(702,893)											717,990		868,224
27	FAS 133				(,,=,,,,,)											-		-
28	TAXES OTHER THAN INCOME TAXES						(45,437)						10,905			(32,114,102)		51,808,185
29	INCOME TAXES				246,013		(404,516)		733,272		1,719		95,076		_	1,418,155		10,947,849
30	DEFERRED INCOME TAXES				240,015		(404,510)		755,272		1,/17		75,070			12,203,333		8,180,050
31	TOTAL OPERATING REV. DEDUCT.	\$	131,750	\$	(456,881)	S	751,245	\$	(1,361,790)	\$	(3,192)	\$	107,486	\$	- S		s	251,385,008
32	TOTAL OF ENGINE TO RET. BEBOOT.	•	131,700	Ψ	(150,001)	Ψ.	701,210	Ψ	(1,501,750)	Ψ	(3,1)2)	Ψ	107,100	Ψ	~	(15,702,710)	Ψ.	201,000,000
33	NET OPERATING INCOME	\$	(131,750)	¢	456,881	¢	(751,245)	. e	1,361,790	¢	3,192	¢	176,569	¢	- \$	5,764,861	•	78,261,323
34	NET OF EXATING INCOME	J	(131,730)	Ф	430,881	Ф	(731,243)	ф	1,301,790	Ф	3,192	Ф	170,309	Ф	- p	3,704,801	J.	70,201,323
35	RATE BASE	\$	_			\$	(1,746,177)	,						\$	- \$	1,111,176	\$	1,180,351,743
36	10.112.0.102	•				Ψ.	(1,710,177)							Ψ	~	1,111,170	Ψ.	1,100,501,715
37	RATE OF RETURN																	6.63%
38																		
39	RATE BASE:																	
40	UTILITY PLANT IN SERVICE	\$	-			\$	(3,814,231))						\$	- \$		\$	2,006,446,375
41	ACCUMULATED DEPRECIATION		-				1,559,534									1,503,898		(648,831,913)
42	ACCUMULATED DEFERRED FIT - LIBERALIZED		-				508,520									508,520		(174,003,834)
43 44	OTHER TOTAL NET INVESTMENT	<u>s</u>		\$	-	\$	(1,746,177)	. \$		\$		\$		\$	- S	1,111,176	\$	(14,234,907) 1,169,375,721
45	ALLOWANCE FOR WORKING CAPITAL	Φ	-	Ψ	-	Φ	(1,/70,1//)	φ	-	Ψ	-	φ	-	φ	- 9	1,111,170	9	10,976,022
46	TOTAL RATE BASE	\$		\$	-	\$	(1,746,177)	\$	-	\$	-	\$		\$	- S	1,111,176	\$	1,180,351,743
						-	(-,,*//)	-		-		-		_	<u> </u>	-,,-	_	,,,

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

LINE						
NO.	DESCRIPTION	ACTUAL]	RESTATED	AI	DJUSTMENT
1	OPERATING REVENUE EXCL MUNI TAXES	\$ 829,271,796	\$	851,089,798	\$	21,818,002
2	MUNICIPAL TAXES	34,376,447		-		(34,376,447)
3	OTHER	- 1,5 / 5, 1 /		-		-
4	PGA RATE INCREASE			92,472,757		92,472,757
5						
6	INCREASE TO OPERATING REVENUE	\$ 863,648,243	\$	943,562,555	\$	79,914,312
7						
8	OTHER OPERATING REVENUE					
9	OTHER OPERATING REVENUE	\$ 15,438,897	\$	17,055,092		1,616,195
10	MUNICIPAL TAXES	353,149		-		(353,149)
11						
12	INCREASE TO OPERATING REVENUE	\$ 15,792,046	\$	17,055,092	\$	1,263,046
13						
14	TOTAL REVENUE ADDITIONS	\$ 879,440,289	\$	960,617,647		81,177,358
15					,	
16	OPERATING EXPENSE					
17	PURCHASED GAS - 106	9,057,891		-	\$	(9,057,891)
18	PURCHASED GAS - 101	 530,598,010		631,255,371	\$	100,657,361
19						
20	TOTAL OPERATING EXPENSES	\$ 539,655,901	\$	631,255,371	\$	91,599,470
21	MUNICIPAL TAX EXPENSED					(34,721,856)
22	OTHER OPERATING EXPENSE	0.340286%				276,235
23	FILING FEE	0.190000%				154,237
24	GROSS RECEIPTS	3.838892%				3,116,311
25	TOTAL EXPENSE PEROPE FOR					
26	TOTAL EXPENSE BEFORE FIT				\$	60,424,397
26						
27	NOI BEFORE FIT				\$	20,752,961
28						
29	FIT			35%		7,263,536
30	TO AL INCREAGE//DECREAGE/ NO.				Φ.	12 490 425
31	TOAL INCREASE/(DECREASE) NOI				\$	13,489,425

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

LILITE	•		
NO.	DESCRIPTION		AMOUNT
1	TAXABLE INCOME	\$	(9,041,218)
2			, , , , ,
3	FEDERAL INCOME TAX		
4	CURRENT FIT (a) 35%		(3,164,426)
5	DEFERRED FIT - DEBIT		37,129,750
6	DEFERRED FIT - CREDIT		(27,846,700)
7	DEFERRED FIT - INV TAX CREDIT, NET OF AMORTIZATION		(1,103,000)
8	TOTAL RESTATED FIT	\$	5,015,624
9			, ,
10	FIT PER BOOKS:		
11	CURRENT FIT	\$	9,529,694
12	DEFERRED FIT - DEBIT		25,329,740
13	DEFERRED FIT - CREDIT		(28,789,583)
14	DEFERRED FIT - INV TAX CREDIT, NET OF AMORTIZATION		(563,440)
		' <u>-</u>	
15	TOTAL CHARGED TO EXPENSE	- \$	5,506,411
16			
17	INCREASE(DECREASE) FIT	\$	(12,694,120)
18	INCREASE(DECREASE) DEFERRED FIT		12,742,893
19	INCREASE(DECREASE) ITC		(539,560)
20	INCREASE(DECREASE) NOI	\$	490,787

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

NO.	DESCRIPTION			AMOUNT
1	RATE BASE	\$ 1,180,351,743		
2	DEDUCTIBLE CWIP	15,940,446		
3	NET RATE BASE	\$ 1,196,292,189	, i	
4				
5	WEIGHTED COST OF DEBT	3.41%		
6	PROFORMA INTEREST		\$	40,793,564
7				
8	INTEREST EXPENSE ITEMS PER BOOKS:			
9	INTEREST ON LONG TERM DEBT	\$ 57,350,782		
10	INTEREST ON PREFERRED STOCK	32,467		
11	AMORTIZATION OF DEBT DISCOUNT			
12	AND EXPENSE, NET OF PREMIUMS	1,700,792		
13	OTHER INTEREST EXPENSE	2,643,960		
14	LESS INTEREST ON CUSTOMER DEPOSITS	(131,750)		
15	CHARGED TO EXPENSE IN TEST YEAR			61,596,251
16	INCREASE (DECREASE) INCOME	•	\$	20,802,687
17				
18	INCREASE (DECREASE) FIT @	35%		7,280,941
19	INCREASE (DECREASE) NOI	•	\$	(7,280,941)

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

LINE				
NO.	DESCRIPTION		AD	JUSTMENT
				_
1	RESTATING			
2	ACTUAL CONSERVATION TRACKER AMORTIZATION	\$ 2,811,260		
3	RESTATED CONSERVATION TRACKER AMORTIZATION	 -		
4	INCREASE (DECREASE) AMORTIZATION EXPENSE	(2,811,260)		
5	INCREASE (DECREASE) OPERATING EXPENSE		\$	(2,811,260)
6				
7	<u>PROFORMA</u>			
8	CONSERVATION REGULATORY ASSET-ACCT #18230422 WATER HEATER PRGM	642,901		
9	CONSERVATION AMORTIZATION FOR RATE YEAR	-		
10	INCREASE (DECREASE) AMORTIZATION EXPENSE	 (642,901)		
11	INCREASE (DECREASE) OPERATING EXPENSE			(642,901)
12				
13	INCREASE (DECREASE) EXPENSE		\$	(3,454,161)
14	INCREASE (DECREASE) FIT			1,208,956
15		35%		
16	INCREASE (DECREASE) NOI		\$	2,245,205

Exhibit No. __(KRK-4)

PAGE 4.05

PUGET SOUND ENERGY-GAS BAD DEBTS

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

LINE			NET	GROSS		NET		
NO.	DESCRIPTION	W]	RITEOFFS	REVENUES	I	REVENUES		AMOUNT
								_
1	12 MOS ENDED 09/30/1999	\$	3,466,158	\$ 780,673,537	\$	780,673,537	(0.4439958%
2	12 MOS ENDED 09/30/2000	\$	2,014,372	\$ 736,127,073	\$	736,127,073	(0.2736446%
3	12 MOS ENDED 09/30/2002	\$	2,666,611	\$ 879,440,289	\$	879,440,289	(0.3032168%
4	3-Yr Average of Net Write Off Rate						0	0.3402857%
5								
6	Test Period Revenues			\$ 879,440,289	\$	879,440,289		
7								
8	PROFORMA BAD DEBT RATE					0.3402857%		
9	PROFORMA BAD DEBTS				\$	2,992,610		
10								
11	UNCOLLECTIBLES CHARGED TO EXPENSE IN T	EST	YEAR			2,629,005		
12	INCREASE (DECREASE) EXPENSE						\$	363,605
13								
14	INCREASE (DECREASE) FIT					35%		(127,262)
15	INCREASE (DECREASE) NOI						\$	(236,343)

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

LINE				RI	ESTATED /		
NO.	DESCRIPTION		ACTUAL	PI	ROFORMA	AD	JUSTMENT
1	OPERATING EXPENSES						_
2							
3	NYSE PSE COMMON STOCK FEES	\$	31,049	\$	182,274	\$	151,225
4	AMORT OF DEFERRAL PURSUANT TO WUTC DOC # UG-05152	28			1,267,159		1,267,159
5	NORMALIZATION OF CARRYING COST ON LINE 4				153,724		153,724
6	DEP EXP ON CWIP IN SERVICE NOT TRANSFERRED TO PLAN	T			85,324		85,324
7							
8	-						
9	INCREASE (DECREASE) IN EXPENSE	\$	31,049	\$	1,688,481	\$	1,657,432
10							
11	INCREASE (DECREASE) IN OPERATING EXPENSE						1,657,432
12	INCREASE(DECREASE) FIT @				35%		(580,101)
13	· · · · · · · · · · · · · · · · · · ·						
14	INCREASE(DECREASE) NOI					\$	(1,077,331)
15							
16							
17	RATEBASE						
18	CWIP "IN SERVICE" BUT NOT TRANSFERRED TO PLANT						2,912,989
19	ACCUMULATED DEPRECIATION ON CWIP IN SERVICE						(55,636)
20							
21	TOTAL ADJUSTMENT TO RATEBASE					\$	2,857,353

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PAGE 4.07

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

NO.	DESCRIPTION		A]	MOUNT
				_
1	RESTATED PROPERTY TAX		\$	12,925,261
2	CHARGED TO EXPENSE IN TY		1	12,881,140
3	INCREASE(DECREASE) EXPENSE		\$	44,121
4				
5	INCREASE(DECREASE) FIT @	35%		(15,442)
6	INCREASE(DECREASE) NOI		\$	(28,679)

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

NO.	DESCRIPTION	AMOUNT				
1	RESTATED EXCISE TAXES		\$	32,603,568		
2	CHARGED TO EXPENSE FOR TEST YEAR			33,200,986		
3	INCREASE(DECREASE) EXCISE TAX		\$	(597,418)		
4						
5	RESTATED WUTC FILING FEE		\$	1,664,073		
6	CHARGED TO EXPENSE FOR TEST YEAR			1,665,617		
7	INCREASE(DECREASE) WUTC FILING FEE		\$	(1,544)		
8						
9	INCREASE(DECREASE) OPERATING EXPEN	ISE	\$	(598,962)		
10						
11	INCREASE(DECREASE) FIT	35%	\$	209,637		
12	INCREASE(DECREASE) NOI		\$	389,325		

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

NO.	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				
7	ANNUAL AMORTIZATION (LINE 5 ÷ 14 REMAINING MONTHS ANNUALIZED X 12)		345,057	
8	LESS TEST YEAR EXPENSE: 2001 GRC AMORTIZATION		451,668	
9	INCREASE (DECREASE) EXPENSE		(106,611)	\$ (106,611)
10				
11	2004 GRC EXPENSES BALANCE @ 9/30/05	\$	379,326	
12	LESS 2004 GRC AMORTIZATION FROM 10/01/05-12/31/06		192,720	
13	REMAINING 2004 GRC DEFERRALS TO BE AMORTIZED		186,606	
14	ANDILLAL AMORTIZATION // DIE 12 - 14 DEMARIRIO MONTHO ANDILLALIZED V 12)			
15	ANNUAL AMORTIZATION (LINE 13 ÷ 14 REMAINING MONTHS ANNUALIZED X 12)		159,948	
16	LESS TEST YEAR EXPENSE: 2004 GRC AMORTIZATION		89,936	70.012
17	INCREASE (DECREASE) EXPENSE		70,012	70,012
18 19				
20	EXPENSES TO BE NORMALIZED:			
21	EAFENSES TO BE NORMALIZED;			
22	ESTIMATED GRC EXPENSES TO BE NORMALIZED	\$	2,139,000	
23	ESTIMATED GREEK ENGLS TO BE NORWINEIEED		_,,	
24	ANNUAL NORMALIZATION (LINE 22 / 2 YEARS)		1,069,500	
25	LESS TEST YEAR EXPENSE: GRC DIRECT CHARGES TO O&M		611,781	
26	ELEGO ILEA ILEAN EL IOLI, GRO BIRLET CIRRICLES TO COM.		011,701	
27	INCREASE (DECREASE) EXPENSE	\$	457,719	\$ 457,719
28				
29				
30	TOTAL INCREASE (DECREASE) EXPENSE			\$ 421,121
31				
32	INCREASE(DECREASE) FIT @	35%		(147,392)
33	INCREASE(DECREASE) NOI			\$ (273,728)

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

LINE					
NO.	DESCRIPTION	ACTUAL	PROFORMA	ADJ	USTMENT
1	PROPERTY INSURANCE EXPENSE	\$ 527,181	480,148	\$	(47,033)
2	LIABILITY INSURANCE EXPENSE	886,977	989,208		102,231
3	INCREASE(DECREASE) EXPENSE	\$ 1,414,158 \$	1,469,356	\$	55,198
4					
5					
6	INCREASE (DECREASE) FIT @	35%			(19,319)
7	INCREASE (DECREASE) NOI			\$	(35,879)

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PAGE 4.11

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

NO.	DESCRIPTION	ACTUAL	RESTATED		ADJUSTMENT
1	QUALIFIED RETIREMENT FUND	\$ (941,988) \$	1,589,166	\$	2,531,154
2	SERP PLAN	\$ 1,492,418 \$	1,428,204	\$	(64,214)
3					
4	INCREASE(DECREASE) EXPENSE	\$ 550,430 \$	3,017,370	\$	2,466,940
5					
6					
7	INCREASE (DECREASE) FIT @	35%			(863,429)
8	INCREASE (DECREASE) NOI			\$	(1,603,511)
				_	

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

NO.	DESCRIPTION	T	TEST YEAR		EAR RATE YEAR		JUSTMENT
							_
1	WAGES:						
2	PRODUCTION MANUF. GAS	\$	71,748	\$	76,669	\$	4,921
3	OTHER GAS SUPPLY		372,798		392,779		19,981
4	STORAGE, LNG T&G		449,217		476,528		27,311
5	TRANSMISSION		190,460		202,334		11,874
6	DISTRIBUTION		16,263,342		17,317,011		1,053,669
7	CUSTOMER ACCTS		6,021,503		6,404,448		382,945
8	CUSTOMER SERVICE		790,797		834,227		43,430
9	SALES		374,113		392,485		18,372
10	ADMIN. & GENERAL		9,087,991		9,546,264		458,273
11	TOTAL WAGE INCREASE		33,621,969		35,642,745		2,020,776
12							
13	PAYROLL TAXES		2,993,607		3,117,169		123,562
14	TOTAL WAGES & TAXES	\$	36,615,576	\$	38,759,914	\$	2,144,338
15							
16	INCREASE (DECREASE) OPERATING EXPENSE					\$	2,144,338
17	INCREASE (DECREASE) FIT @ 35%						(750,518)
18	INCREASE (DECREASE) NOI					\$	(1,393,820)

PUGET SOUND ENERGY-GAS INVESTMENT PLAN FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2005

GENERAL RATE INCREASE

NO.	DESCRIPTION			AMOUNT
1	MANAGEMENT (INC. EXECUTIVES)			
2	INVESTMENT PLAN APPLICABLE TO MANAGEMENT		1,794,911	
3	RATE YEAR MANAGEMENT WAGE INCREASE	4.91%	88,130	
4	TOTAL COMPANY CONTRIBUTION FOR MANAGEMENT			1,883,041
5				
6	IBEW			
7	INVESTMENT PLAN APPLICABLE TO IBEW		442,541	
8	RATE YEAR IBEW WAGE INCREASE	6.90%	30,523	
9	TOTAL COMPANY CONTRIBUTION FOR IBEW			473,064
10				
11	UA			
12	INVESTMENT PLAN APPLICABLE TO UA		392,715	
13	RATE YEAR UA WAGE INCREASE	6.89%	27,041	
14	TOTAL COMPANY CONTRIBUTION FOR UA			419,756
15				
16	TOTAL			
17	TOTAL PROFORMA COSTS (LN 4 + LN 9 + 14)			2,775,861
18	PRO FORMA COSTS APPLICABLE TO OPERATIONS	62.32%		1,729,917
19	CHARGED TO EXPENSE FOR YEAR ENDED 9/30/2005			1,639,120
20	INCREASE (DECREASE) EXPENSE			90,797
21				
22	INCREASE (DECREASE) FIT @	35%		(31,779)
23	INCREASE (DECREASE) NOI		_	(\$59,018)

Exhibit No. ___(KRK-4) PAGE 4.14

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

NO.	DESCRIPTION		AMOUNT
			_
1	BENEFIT CONTRIBUTION:		
2	SALARIED EMPLOYEES	\$	3,852,538
3	UNION EMPLOYEES		3,696,775
4	PRO FORMA INSURANCE COSTS		7,549,313
5			
6	APPLICABLE TO OPERATIONS @ 62.32	%	4,704,732
7	CHARGED TO EXPENSE 09/30/03		4,060,907
8	INCREASE(DECREASE) EXPENSE		643,825
9			
10	INCREASE(DECREASE) FIT @ 35%	, 0	(225,339)
11	_		
12	INCREASE(DECREASE) NOI	\$	(418,486)

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

LINE	INE PROFORMA						
NO.	DESCRIPTION		ACTUAL		RESTATED	Al	DJUSTMENT
1	INCENTIVE/MERIT PAY						
2	PRODUCTION MANUF. GAS	\$	6,230	\$	4,894	\$	(1,336)
3	OTHER GAS SUPPLY		32,932		25,868		(7,064)
4	STORAGE, LNG T&G		39,756		31,228		(8,528)
5	TRANSMISSION		16,911		13,284		(3,627)
6	DISTRIBUTION		1,435,055		1,127,252		(307,803)
7	CUSTOMER ACCTS		531,359		417,389		(113,970)
8	CUSTOMER SERVICE		69,720		54,766		(14,954)
9	SALES		32,932		25,868		(7,064)
10	ADMIN. & GENERAL		801,934		629,928		(172,006)
11	TOTAL INCENTIVE PAY	\$	2,966,829	\$	2,330,477	\$	(636,352)
12							
13	PAYROLL TAXES ASSOC WITH MERIT PAY		206,491		162,201		(44,290)
14	INCREASE(DECREASE) EXPENSE						(680,642)
15							
16	INCREASE (DECREASE) OPERATING EXPEN	SE					(680,642)
17							
18	INCREASE(DECREASE) FIT @				35%		238,225
19	INCREASE(DECREASE) NOI					\$	442,417

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PAGE4.16

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

NO.	DESCRIPTION	ADJUSTMENT				
1	INTEREST EXPENSE FOR TEST YEAR	\$	131,750			
2 3	INCREASE (DECREASE) NOI	\$	(131,750)			

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

1 DEFERRED (GAIN) RECORDED SINCE UG-040640 @ 12/31/2006	\$ (2,923,695)
2 DEFERRED LOSS RECORDED SINCE UG-040640 @ 12/31/2006	815,015
3 TOTAL DEFERRED NET (GAIN) LOSS TO AMORTIZE	\$ (2,108,680)
4	
5 AMORTIZATION OF DEFERRED NET (GAIN) LOSS FOR RATE YEAR (Line 3/3years)	(702,893)
6	
7 AMORTIZATION OF DEFERRED NET (GAIN) LOSS FOR TEST YEAR	0
8	
9 INCREASE (DECREASE) EXPENSE (Line 5 - Line 7)	\$ (702,893)
10	
11 INCREASE (DECREASE) FIT @ 35%	246,013
12	
13 INCREASE (DECREASE) NOI	\$ 456,881

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

21 22 ADJUSTMENT TO RATEBASE 23 GENERAL OFFICE BUILDING	LINE				PR	OFORMA		
GENERAL OFFICE BUILDING - PROPERTY TAXES 79,692	NO.	DESCRIPTION	1	ACTUAL	R	ESTATED	AD	JUSTMENT
GENERAL OFFICE BUILDING - PROPERTY TAXES 79,692	_							
GENERAL OFFICE BUILDING - PROPERTY INSURANCE		,	 _		_		_	
GENERAL OFFICE BUILDING - DEPRECIATION (EOP)			\$	-	\$	-	\$	
5 CROSSROADS BUILDING - PROPERTY TAXES 17,158 - (17,158) 6 CROSSROADS BUILDING - PROPERTY INSURANCE 602 - (602) 7 CROSSROADS BUILDING - DEPRECIATION (EOP) 63,839 - (63,839) 8 227,577 \$0 \$ (227,577) 9 \$ 227,577 \$0 \$ (227,577) 10 OPERATING EXPENSES (RESTATED) *** 45,564 \$ 1,646,149 \$ 1,600,585 12 PSE(E) - LEASE COSTS ** 45,564 \$ 1,646,149 \$ 1,600,585 12 PSE(E) - LEASE COSTS ** 45,564 \$ 1,646,149 \$ 1,600,585 13 PSE(E) - PROPERTY TAXES ** 4,074 \$ 1,387,412 \$ 1,025 15 PSE(E) - PROPERTY INSURANCE ** 4,074 \$ 1,387,412 \$ 1,383,338 16 ** 4,074 \$ 1,387,412 \$ 1,383,338 16 ** 5,444 \$ 1,387,412 \$ 1,557,61 17 INCREASE (DECREASE) IN EXPENSE ** 231,651 \$ 1,387,412 \$ 1,557,61 18 ** 10 ** 1,557,61 ** 1,557,61 19 INCREASE (DECREASE) FIT @ ** 35% (404,516				,		-		
6 CROSSROADS BUILDING - PROPERTY INSURANCE 7 CROSSROADS BUILDING - DEPRECIATION (EOP) 8 3,839 8 227,577 9 \$ 227,577 9 \$ (602, 203, 203, 203, 203, 203, 203, 203, 2				,		-		
CROSSROADS BUILDING - DEPRECIATION (EOP) 63,839 .	_			-		-		
S						-		
9 10 OPERATING EXPENSES (RESTATED) 11 PSE(E) - LEASE COSTS \$ 45,564 \$ 1,646,149 \$ 1,600,585 \$ 1,000,585 \$ 1,000,585 \$ 1,000,585 \$ 1,000,585 \$ 1,000,585 \$ 1,000,585 \$ 1,000,585 \$ 1,000,585 \$ 1,000,585 \$ 1,000,585 \$ 1,000,585 \$ 1,000,585 \$ 1,000,585 \$ 1,000,585 \$ 1,000,585 \$ 1,000,585 \$ 1,000,585 \$ 1,000,585 \$ 1,000,585 \$ 1,000,585 \$ 1,000,585 \$ 1,000,585 \$ 1,000,585 \$ 1,000,585 \$ 1,000,585 \$ 1,000,585 \$ 1,000,585 \$ 1,000,585 \$ 1,000,585 \$ 1,000,585 \$ 1,000,585 \$ 1,000,585 \$ 1,000,585 \$ 1,000,585 \$ 1,000,585 \$ 1,000,585 \$ 1,000,585 \$ 1,000,585 \$ 1,000,585 \$ 1,000,585 \$ 1,000,585 \$ 1,000,585 \$ 1,000,585 \$ 1,000,585 \$ 1,000,585 \$ 1,000,585 \$ 1,000,585 \$ 1,000,585 \$ 1,000,585 \$ 1,000,585 \$ 1,000,585 \$ 1,000,585 \$ 1,000,585 \$ 1,000,585 \$ 1,000,585 \$ 1,000,585 \$ 1,000,585 \$ 1,000,585 \$ 1,000,585 \$ 1,000,585 \$ 1,000,585 \$ 1,000,585 \$ 1,000,585 \$ 1,000,585 \$ 1,000,585 \$ 1,000,585 \$ 1,000,585 \$ 1,000,585 \$ 1,000,585 \$ 1,000,585 \$ 1,000,585 \$ 1,000,585 \$ 1,000,585 \$ 1,000,585 \$ 1,000,585 \$ 1,000,585 \$ 1,000,585 \$ 1,000,585 \$ 1,000,585 \$ 1,000,585 \$ 1,000,585 \$ 1,000,585 \$ 1,000,585 \$ 1,000,585 \$ 1,000,585 \$ 1,000,585 \$ 1,000,585 \$ 1,000,585 \$ 1,000,585 \$ 1,000,585 \$ 1,000,585 \$ 1,000,585 \$ 1,000,585 \$ 1,000,585 \$ 1,000,585 \$ 1,000,585 \$ 1,000,585 \$ 1,000,585 \$ 1,000,585 \$ 1,000,585 \$ 1,000,585 \$ 1,000,585 \$ 1,000,585 \$ 1,000,585 \$ 1,000,585 \$ 1,000,585 \$ 1,000,585 \$ 1,000,585 \$ 1,000,585 \$ 1,000,585 \$ 1,000,585 \$ 1,000,585 \$ 1,000,585 \$ 1,000,585 \$ 1,000,585 \$ 1,000,585 \$ 1,000,585 \$ 1,000,585 \$ 1,000,585 \$ 1,000,585 \$ 1,000,585 \$ 1,000,585 \$ 1,000,585 \$ 1,000,585 \$ 1,000,585 \$ 1,000,585 \$ 1,000,585 \$ 1,000,585 \$ 1,000,585 \$ 1,000,585 \$ 1,000,585 \$ 1,000,585 \$ 1,000,585 \$ 1,000,585 \$ 1,000,585 \$ 1,000,585 \$ 1,000,585 \$ 1,000,585 \$ 1,000,		• • •	Φ.			-	Φ	
OPERATING EXPENSES (RESTATED) PSE(E) - LEASE COSTS \$ 45,564 \$ 1,646,149 \$ 1,600,585 \$ 1,025 \$ 1,025 \$ 1,025 \$ 1,025 \$ 1,025 \$ 1,025 \$ 1,025 \$ 1,025 \$ 1,025 \$ 1,025 \$ 1,025 \$ 1,025 \$ 1,025 \$ 1,025 \$ 1,025 \$ 1,025 \$ 1,025 \$ 1,025 \$ 1,025 \$ 1,025 \$ 1,025 \$ 1,025 \$ 1,025 \$ 1,025 \$ 1,025 \$ 1,025 \$ 1,025 \$ 1,025 \$ 1,025 \$ 1,025 \$ 1,025 \$ 1,025 \$ 1,025 \$ 1,025 \$ 1,025 \$ 1,025 \$ 1,025 \$ 1,025 \$ 1,025 \$ 1,025 \$ 1,025 \$ 1,025 \$ 1,025 \$ 1,025 \$ 1,025 \$ 1,025 \$ 1,025 \$ 1,025 \$ 1,025 \$ 1,025 \$ 1,025 \$ 1,025 \$ 1,025 \$ 1,025 \$ 1,025 \$ 1,025 \$ 1,025 \$ 1,025 \$ 1,025 \$ 1,025 \$ 1,025 \$ 1,025 \$ 1,025 \$ 1,025 \$ 1,025 \$ 1,025 \$ 1,025 \$ 1,025 \$ 1,025 \$ 1,025 \$ 1,025 \$ 1,025 \$ 1,025 \$ 1,025 \$ 1,025 \$ 1,025 \$ 1,025 \$ 1,025 \$ 1,025 \$ 1,025 \$ 1,025 \$ 1,025 \$ 1,025 \$ 1,025 \$ 1,025 \$ 1,025 \$ 1,025 \$ 1,025 \$ 1,025 \$ 1,025 \$ 1,025 \$ 1,025 \$ 1,025 \$ 1,025 \$ 1,025 \$ 1,025 \$ 1,025 \$ 1,025 \$ 1,025 \$ 1,025 \$ 1,025 \$ 1,025 \$ 1,025 \$ 1,025 \$ 1,025 \$ 1,025 \$ 1,025 \$ 1,025 \$ 1,025 \$ 1,025 \$ 1,025 \$ 1,025 \$ 1,025 \$ 1,025 \$ 1,025 \$ 1,025 \$ 1,025 \$ 1,025 \$ 1,025 \$ 1,025 \$ 1,025 \$ 1,025 \$ 1,025 \$ 1,025 \$ 1,025 \$ 1,025 \$ 1,025 \$ 1,025 \$ 1,025 \$ 1,025 \$ 1,025 \$ 1,025 \$ 1,025 \$ 1,025 \$ 1,025 \$ 1,025 \$ 1,025 \$ 1,025 \$ 1,025 \$ 1,025 \$ 1,025 \$ 1,025 \$ 1,025 \$ 1,025 \$ 1,025 \$ 1,025 \$ 1,025 \$ 1,025 \$ 1,025 \$ 1,025 \$ 1,025 \$ 1,025 \$ 1,025 \$ 1,025 \$ 1,025 \$ 1,025 \$ 1,025 \$ 1,025 \$ 1,025 \$ 1,025 \$ 1,025 \$ 1,025 \$ 1,025 \$ 1,025 \$ 1,025 \$ 1,025 \$ 1,025 \$ 1,025 \$ 1,025 \$ 1,025 \$ 1,025 \$ 1,025 \$ 1,025 \$ 1,025 \$ 1,025 \$ 1,025 \$ 1,025 \$ 1,025 \$ 1,025 \$ 1,025 \$ 1,025 \$ 1,025 \$ 1,025 \$ 1,025 \$ 1,025 \$ 1,025 \$ 1,025 \$ 1,025 \$ 1,025 \$ 1,025 \$ 1,025 \$ 1,025 \$ 1,025 \$ 1,025 \$ 1,0			\$	227,577		\$0	\$	(227,577)
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12 PSE(E) - LEASEHOLD IMPROVEMENTS AMORTIZATION (41,490) (311,175) (269,685) (269,685) (269,685) (269,685) (269,685) (269,685) (269,685) (269,685) (269,685) (269,685) (269,685) (269,685) (269,685) (269,685) (269,685) (269,685) (269,685) (269,685) (269,685) (269,685) (269,685) (269,685) (269,685) (269,685) (269,685) (269,685) (269,685) (269,685) (269,685) (269,685) (269,685) (269,685) (269,685) (269,685) (269,685) (269,685) (269,685) (269,685) (269,685) (269,685) (269,685) (269,685) (269,685) (269,685) (269,685) (269,685) (269,685) (269,685) (269,685) (269,685) (269,685) (269,685) (269,685) (269,685) (269,685) (269,685) (269,685) (269,685) (269,685) (269,685) (269,685) (269,685) (269,685) (269,685) (269,685) (269,685) (269,685) (269,685) (269,685) (269,685) (269,685) (269,685) (269,685) (269,685) (269,685) (269,685) (269,685) (269,685) (269,685) (269,685) (269,685) (269,685) (269,685) (269,685) (269,685) (269,685) (269,685) (269,685) (269,685) (269,685) (269,685) (269,685) (269,685) (269,685) (269,685) (269,685) (269,685) (269,685) (269,685) (269,685) (269,685) (269,685) (269,685) (269,685) (269,685) (269,685) (269,685) (269,685) (269,685) (269,685) (269,685) (269,685) (269,685) (269,685) (269,685) (269,685) (269,685) (269,685) (269,685) (269,685) (269,685) (269,685) (269,685) (269,685) (269,685) (269,685) (269,685) (269,685) (269,685) (269,685) (269,685) (269,685) (269,685) (269,685) (269,685) (269,685) (269,685) (269,685) (269,685) (269,685) (269,685) (269,685) (269,685) (269,685) (269,685) (269,685) (269,685) (269,685) (269,685) (269,685) (269,685) (269,685) (269,685) (269,685) (269,685) (269,685) (269,685) (269,685) (269,685) (269,685) (269,685) (269,685) (269,685) (269,685) (15 561	¢	1 646 140	¢	1 600 585
13 PSE(E) - PROPERTY TAXES 3 5 1,413 5 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1,413 1			Ψ		Ψ	, ,	Ψ	
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15				_				
16 17 INCREASE (DECREASE) IN EXPENSE 18 19 INCREASE (DECREASE) FIT @ 10 INCREASE (DECREASE) NOI 21			\$	4.074	S		\$	
17 INCREASE (DECREASE) IN EXPENSE \$ 231,651 \$ 1,387,412 1,155,761 18 INCREASE (DECREASE) FIT @ 35% (404,516) 20 INCREASE (DECREASE) NOI \$ (751,245) 21 22 ADJUSTMENT TO RATEBASE 23 GENERAL OFFICE BUILDING \$ 1,913,663 \$ - \$ (1,913,663) 24 ACCUM DEPRECIATION (673,004) - 673,004 25 DEFERRED INCOME TAX (319,401) - 319,401 26 NET GENERAL OFFICE BUILDING \$ 921,258 \$ - \$ (921,258) 27 28 CROSSROADS BUILDING \$ 1,900,568 \$ - \$ (1,900,568) 29 ACCUM DEPRECIATION (886,530) - 886,530 30 DEFERRED INCOME TAX (189,119) - 189,119 31 NET CROSSROADS BUILDING \$ 824,919 \$ - \$ (824,919) 32				.,	-	-,,,	-	-,,,,,,,,,,
18 19 INCREASE (DECREASE) FIT @ 20 INCREASE (DECREASE) NOI 21 22 ADJUSTMENT TO RATEBASE 23 GENERAL OFFICE BUILDING 24 ACCUM DEPRECIATION 25 DEFERRED INCOME TAX 26 NET GENERAL OFFICE BUILDING 27 CROSSROADS BUILDING 28 CROSSROADS BUILDING 29 ACCUM DEPRECIATION 30 DEFERRED INCOME TAX 31 NET CROSSROADS BUILDING 32 (1990,568) 30 DEFERRED INCOME TAX 31 NET CROSSROADS BUILDING 32 (886,530) 30 DEFERRED INCOME TAX 31 NET CROSSROADS BUILDING 32 (824,919) 32 (824,919) 35 (824,919) 36 (824,919) 37 (824,919) 38 (824,919) 38 (824,919) 39 (824,919) 30 (824,919) 31 NET CROSSROADS BUILDING 31 NET CROSSROADS BUILDING 32 (824,919) 32 (824,919) 35 (824,919) 36 (824,919) 37 (824,919) 38 (824,919) 38 (824,919) 39 (824,919) 30 (824,919) 30 (824,919) 30 (824,919) 31 NET CROSSROADS BUILDING 31 NET CROSSROADS BUILDING 32 (824,919) 32 (824,919)			\$	231.651	\$	1.387.412		1.155.761
20 INCREASE (DECREASE) NOI 21 22 ADJUSTMENT TO RATEBASE 23 GENERAL OFFICE BUILDING 24 ACCUM DEPRECIATION 25 DEFERRED INCOME TAX 26 NET GENERAL OFFICE BUILDING 27 (1,913,663) 28 CROSSROADS BUILDING 29 ACCUM DEPRECIATION 30 DEFERRED INCOME TAX 4 (1,900,568) 4 (1,900,568) 5 (1,900,568) 6 (1,900,568) 7 (1,900,568) 7 (1,900,568) 8 (1,900,568) 9 ACCUM DEPRECIATION 9 9 ACC	18		•	- ,	•	, · ,		,,
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21 22 ADJUSTMENT TO RATEBASE 23 GENERAL OFFICE BUILDING	20	INCREASE (DECREASE) NOI					\$	(751,245)
23 GENERAL OFFICE BUILDING \$ 1,913,663 \$ - \$ (1,913,663) 24 ACCUM DEPRECIATION (673,004) - 673,004 25 DEFERRED INCOME TAX (319,401) - 319,401 26 NET GENERAL OFFICE BUILDING \$ 921,258 \$ - \$ (921,258) 27 28 CROSSROADS BUILDING \$ 1,900,568 \$ - \$ (1,900,568) 29 ACCUM DEPRECIATION (886,530) - 886,530 30 DEFERRED INCOME TAX (189,119) - 189,119 31 NET CROSSROADS BUILDING \$ 824,919 \$ - \$ (824,919) 32 32 32 33 33 DEFERRED INCOME TAX (189,119) - 189,119 34 35 36 37 35 36 37 36 37 37 38 38 39 39 30 30 30 30 30 31 32 32 33 33 34 34 35 35 36 36 37 37 38 38 38 39 30 30 30 31 32 33 34 35 36 37 38 38 39 30 30 30 30 31 32 33 34 35 36 37 38 38 38 39 30 30 30 30 31 32 33 34 35 36 37 38 38 38 38 38 38 39 30 30 31 32 33 34 35 35 36 37 38 38 38 38 38 38 38 38 39 30 30 30 30 31 32 33 34 35 36 37 38 38 38 38 38 38 38 38 38 38 38 38 38 38 38 38 38 38 38 38 38 38 38 38 38 38 38 38 38 38 38 38 38 38 38 38 38 38 38 38 38 38 38 38 38 38 38 38 38 38 38 38 38 38 38 38 38 38 38 38 38 38 38 38 38 38 38 38 38 38 38 38 38 38 38 38 38 38 38 38 38 38 38 38 38 38 38 38 38 38 38 38 38 38 38 38 38 38 38 38 38 38 38 38 38 38 38	21	,						
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24 ACCUM DEPRECIATION (673,004) - 673,004 25 DEFERRED INCOME TAX (319,401) - 319,401 26 NET GENERAL OFFICE BUILDING \$ 921,258 \$ - \$ (921,258) 27 - \$ (1,900,568) - \$ (1,900,568) 29 ACCUM DEPRECIATION (886,530) - 886,530 30 DEFERRED INCOME TAX (189,119) - 189,119 31 NET CROSSROADS BUILDING \$ 824,919 \$ - \$ (824,919) 32	23	GENERAL OFFICE BUILDING	\$	1,913,663	\$	-	\$	(1,913,663)
25 DEFERRED INCOME TAX 26 NET GENERAL OFFICE BUILDING 27 \$ 921,258 \$ - \$ (921,258) 28 CROSSROADS BUILDING 29 ACCUM DEPRECIATION 30 DEFERRED INCOME TAX 31 NET CROSSROADS BUILDING 31 NET CROSSROADS BUILDING 32 \$ 824,919 \$ - \$ (824,919) 33 OFFICE BUILDING 34 SPECIATION 35 SEE SE	24	ACCUM DEPRECIATION				-		
26 NET GENERAL OFFICE BUILDING 27 28 CROSSROADS BUILDING 29 ACCUM DEPRECIATION 30 DEFERRED INCOME TAX 31 NET CROSSROADS BUILDING 32 (824,919) 33 NET CROSSROADS BUILDING 34 (824,919) 35 (824,919) 36 (824,919)	25	DEFERRED INCOME TAX				-		-
28 CROSSROADS BUILDING \$ 1,900,568 \$ - \$ (1,900,568) 29 ACCUM DEPRECIATION (886,530) - 886,530 30 DEFERRED INCOME TAX (189,119) - 189,119 31 NET CROSSROADS BUILDING \$ 824,919 \$ - \$ (824,919) 32	26	NET GENERAL OFFICE BUILDING	\$		\$	-	\$	(921,258)
29 ACCUM DEPRECIATION (886,530) - 886,530 30 DEFERRED INCOME TAX (189,119) - 189,119 31 NET CROSSROADS BUILDING \$ 824,919 \$ - \$ (824,919) 32	27							
29 ACCUM DEPRECIATION (886,530) - 886,530 30 DEFERRED INCOME TAX (189,119) - 189,119 31 NET CROSSROADS BUILDING \$ 824,919 \$ - \$ (824,919) 32	28	CROSSROADS BUILDING	\$	1,900,568	\$	-	\$	(1,900,568)
30 DEFERRED INCOME TAX (189,119) - 189,119 31 NET CROSSROADS BUILDING \$ 824,919 \$ - \$ (824,919) 32	29	ACCUM DEPRECIATION				-		
32	30	DEFERRED INCOME TAX		(189,119)		-		189,119
32	31	NET CROSSROADS BUILDING	\$		\$	-	\$	(824,919)
33 TOTAL ADJUSTMENT TO RATE BASE \$ 1,746,177 \$ - \$ (1,746,177)	32			-				· · · · · ·
	33	TOTAL ADJUSTMENT TO RATE BASE	\$	1,746,177	\$	-	\$	(1,746,177)

Exhibit No. (KRK-4)
PAGE 4.19

PUGET SOUND ENERGY-GAS LOW INCOME AMORTIZATION FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2005 GENERAL RATE INCREASE

LINE				
NO.	DESCRIPTION		AD	JUSTMENT
1	RESTATING			
2	LOW INCOME AMORTIZATION IN TEST PERIOD	\$ 2,095,062		
3	REMOVE AMORTIZATION (REVENUE REMOVED IN ADJ 4.01)	, , -		
4	INCREASE (DECREASE) EXPENSE	\$ (2,095,062)		
5				
6	INCREASE (DECREASE) OPERATING EXPENSE			(2,095,062)
7				
8	INCREASE (DECREASE) FIT	35%	\$	733,272
9		_		_
10	INCREASE (DECREASE) NOI	=	\$	1,361,790

Exhibit No. (KRK-4)
PAGE 4.20

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

NO.	DESCRIPTION	TEST YEAR		RF	ESTATED	AD	JUSTMENT
1	D & O INS. CHG EXPENSE	\$	756,214	\$	751,304	\$	(4,910)
2							
3	INCREASE (DECREASE) D&O EXPENSE	\$	756,214	\$	751,304	\$	(4,910)
4							
5	INCREASE (DECREASE) EXPENSE						(4,910)
6							
7	INCREASE (DECREASE) FIT @				35%		1,719
8	INCREASE (DECREASE) NOI					\$	3,192

Exhibit No. ___(KRK-4) PAGE 4.21

PUGET SOUND ENERGY-GAS EVERETT DELTA

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

LINE

NO.	DESCRIPTION		ADJUSTMENT	
1	AMA RATEBASE			
2	GROSS		\$	29,545,951
3	ACCUMULATED DEPRECIATION (AMA)			(310,269)
4	DEFERRED FIT			(4,965,562)
5	NET AMA			24,270,120
6				
7	RATE OF RETURN			7.57%
8	RETURN ON RATE BASE			1,837,248
9	CONVERSION FACTOR			62.1600%
10	RETURN ON RATE BASE AFTER CONVERSION			2,955,674
11	DEPRECIATION EXPENSE			663,167
12	TOTAL REVENUE REQUIREMENT			3,618,841
13	EXCLUDE LEASE PAYMENT			3,334,786
14				
15	REVENUE DEFICIENCY			284,055
16				
17	OTHER OPERATING EXPENSE	0.340286%		967
18	FILING FEE	0.190000%		540
19	GROSS RECEIPTS	3.838892%		10,905
20	TOTAL EXPENSE			12,411
21				
22	NET REVENUE DEFICIENCY BEFORE FIT			271,644
23				
24	TOAL INCREASE (DECREASE) FIT	35%		95,076
25	,			
26	TOAL INCREASE/(DECREASE) NOI		\$	176,569

Exhibit No.	(KRK-4)		
	PAGE 4.22		

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

NO.	DESCRIPTION			ADJUSTMENT	
				_	
1	RESTATED				
2	ACTUAL ACCT 403-DEPRECIATION EXPENSE		\$	64,461,445	
3	RESTATED ACCT 403-DEPRECIATION EXPENSE			64,461,445	
4	INCREASE (DECREASE) DEPRECIATION EXPENSE			-	
5					
6	INCREASE (DECREASE) OPERATING INCOME			-	
7	INCREASE (DECREASE) FIT	35%		-	
8	INCREASE (DECREASE) NOI				
9					
10	ADJUST RATE BASE FOR LINE 4 @	50%		-	
11					
12	ADJUSTMENT TO RATE BASE		\$	-	
13					