



# **Power Cost Adjustment Mechanism Annual Report**

**PCA Period Four**

**REDACTED  
VERSION**

**Twelve Months Ended  
June 30, 2006**

Puget Sound Energy  
Power Cost Adjustment Mechanism  
2006 Annual Report – PCA Period Four  
Twelve Months Ended June 30, 2006

## Index

3. Power Cost Summary
4. Exhibit A-1 – Power Cost Rate, Updated Actual (7/1/05-6/30/06)
5. **PCA Period Four-A: 7/1/05 – 10/31/05 (rates set in UE-040641 GRC)**
6. Exhibit A-1 – Power Cost Rate
7. Exhibit A-2 – Transmission Costs
8. Exhibit A-3 – Colstrip Fixed Costs-Section 1
9. Exhibit A-3 – Colstrip Fixed Costs-Section 2 (Redacted)
10. Exhibit A-4 – Production Adjustment UE-040641
11. Exhibit A-5 – Power Cost
12. Schedule B – PCA Mechanism Calculation (7/1/05-6/30/06)
13. Exhibit D – Regulatory Assets and Liabilities approved in PCA 3 compliance filing UE-051314
14. Exhibit E – Contract Adjustment-Section 1 (Redacted)
15. Exhibit E – Contract Adjustment-Section 2 (Redacted)
16. Exhibit E – Contract Adjustment-Section 3 (Redacted)
17. **PCA Period Four-B: 11/1/05 – 6/30/06 (rates set in UE-050870 PCORC)**
18. Exhibit A-1 – Power Cost Rate
19. Exhibit A-2 – Transmission Costs
20. Exhibit A-3 – Colstrip Fixed Costs-Section 1
21. Exhibit A-3 – Colstrip Fixed Costs-Section 2 (Redacted)
22. Exhibit A-4 – Production Adjustment UE-050870
23. Exhibit A-5 – Power Cost
24. Schedule B – PCA Mechanism Calculation (7/1/05-6/30/06)
25. Exhibit D – Regulatory Assets and Liabilities (7/1/05-6/30/06)
26. Exhibit E – Contract Adjustment (Redacted)

**POWER COST ADJUSTMENT SUMMARY**

	12 mo end 6.30.03		12 mo end 6.30.04		12 mo end 6.30.05		12 mo end 6.30.06		Cumulative PCA Periods
	PCA Period One	PCA Period Two	PCA Period One	PCA Period Two	PCA Period Three	PCA Period Four	PCA Period Four		
<u>Power Costs</u>									
Actual	\$ 845,405,696	\$ 903,001,659	\$ 959,718,871	\$ 1,064,701,272	\$ 3,772,827,498				
Baseline	\$ 843,126,410	\$ 872,785,985	\$ 949,412,459	\$ 1,075,227,683	\$ 3,740,552,537				
Difference	\$ 2,279,286	\$ 30,215,674	\$ 10,306,412	\$ (10,526,410)	\$ 32,274,962				
Wholesale Customers	\$ (10,220)	\$ (12,220)	\$ (4,225)	\$ 3,643	\$ (23,022)				
Total Cost Over Baseline	\$ 2,269,066	\$ 30,203,454	\$ 10,302,187	\$ (10,522,768)	\$ 32,251,940				

<u>Allocation of Power Costs</u>									
Company	\$ 2,269,066	\$ 25,101,727	\$ 10,302,187	\$ (10,522,768)	\$ 27,150,212				
Customers	\$ -	\$ 5,101,727	\$ -	\$ -	\$ 5,101,727				
Total Cost Allocated	\$ 2,269,066	\$ 30,203,454	\$ 10,302,187	\$ (10,522,768)	\$ 32,251,939				

<u>Customer Share Including Interest</u>									
Customer Share	\$ -	\$ 5,101,727	\$ -	\$ -	\$ 5,101,727				
Interest	\$ -	\$ 61,868	\$ 345,776	\$ 736,238	\$ 1,143,882				
Total Customer Share Including Interest	\$ -	\$ 5,163,595	\$ 345,776	\$ 736,238	\$ 6,245,609				

**Puget Sound Energy**  
**PCA Mechanism Annual Report-PCA 4**  
**Twelve Months Ended June 30, 2006**

**Exhibit A-1 Power Cost Rate: Updated Actual 7/1/05-6/30/06**

Row				
3	Regulatory Assets and Liabilities (Variable) (Note 1)	\$	277,936,545	
4	Transmission Rate Base (Fixed)		Note 2	
5	Production Rate Base (Fixed)		Note 2	
6			Note 2	
7	Net of tax rate of return		7.01%	
8				
9				
			<u>\$/MWh</u>	
10	Regulatory Asset/Liab Recovery	\$	29,965,063	\$ 1.435 (c)
11	Fixed Asset Recovery-Other	\$	12,657,910	\$ 0.606 (a)
12	Fixed Asset Recovery-Production Factor	\$	59,222,672	\$ 2.837 (a)
13	501-Steam Fuel	\$	45,711,735	\$ 2.190 (c)
14	555-Purchased power	\$	830,851,462	\$ 39.801 (c)
14a	Commission Disallowance for Tenaska & March Point 2	\$	(12,587,912)	\$ (0.603) (c)
14b	Contract Price Adjustments	\$	(1,080,025)	\$ (0.052) (c)
15	557-Other Power Exp	\$	12,379,988	\$ 0.593 (a)
16	547-Fuel	\$	30,284,135	\$ 1.451 (c)
17	565-Wheeling	\$	52,082,171	\$ 2.495 (c)
18	Variable Transmission Income	\$	(4,131,360)	\$ (0.198) (c)
19	Hydro and Other Pwr.	\$	57,541,527	\$ 2.756 (a)
20	447-Sales to Others	\$	(104,389,046)	\$ (5.001) (c)
21	456-Subaccounts 12, 18,35,36,80,81,87,130,131	\$	(32,992,454)	\$ (1.580) (c)
22	Transmission Exp - 500KV	\$	572,001	\$ 0.027 (a)
23	Depreciation-Production	\$	45,706,469	\$ 2.190 (a)
23a	Amortization- Reg Assets/Liab	\$	24,507,562	\$ 1.174 (c)
23b	Deferred FIT- Reg Assets/Liab	\$	(708,164)	\$ (0.034) (c)
24	Depreciation-Transmission	\$	5,108,629	\$ 0.245 (a)
25	Property Taxes-Production	\$	9,589,697	\$ 0.459 (a)
26	Property Taxes-Transmission	\$	4,409,213	\$ 0.211 (a)
27	Subtotal & Baseline Rate	\$	1,064,701,272	\$ 51.004 (b)
28	Revenue Sensitive Items		0.9550366	
29		\$	1,114,827,717	
30	Year Load (MWH's)		20,875,011	← includes Firm Wholesale
31			Before Rev. S. Items	After Rev. Sensitive Items
32	Power Cost in Rates with Revenue Sensitive Items (the adjusted baseline)			53.405
33	sum of (a) = Fixed Rate Component		9.925	10.392
34	(b) = Power Cost Rate		51.004	53.405
35	sum of (c) = Variable Power Rate Component		41.078	43.012
36			-	-
37				
38	(Note 1) Regulatory Assets and Liabilities are detailed on Exhibit D (JHS-3 page 25)			
39				
40	(Note 2) During the PCA period, authorized changes were made to the baseline rate and to the amount			
41	of fixed production ratebase related to Hopkins Ridge. As a result, there is no obvious relationship			
42	between the ratebase amounts and the return on ratebase shown on Lines 11 and 12.			
43	Therefore, the ratebase amounts on Lines 4 and 5 have not been presented.			

Puget Sound Energy, Inc.  
Power Cost Adjustment Mechanism Annual Report  
PCA Period Four  
Twelve Months Ended June 30, 2006

**Exhibits**

From 07/01/05 through 10/31/05  
Docket No. UG-040640, *et al.* General Rate Case

**Puget Sound Energy**  
**PCA Mechanism Annual Report-PCA 4**  
**Twelve Months Ended June 30, 2006**

**Exhibit A-1 Power Cost Rate: 7/1/05-10/31/05**

Row		<u>Test Year</u>	<u>Test Yr</u>	<u>Production</u>
			<u>\$/MWh</u>	<u>Factor</u>
				<u>0.98719</u>
				<u>Rate Year</u>
3	Regulatory Assets (Variable)	\$ 282,429,058		
4	Transmission Rate Base (Fixed)	120,648,501		
5	Production Rate Base (Fixed)	468,816,565		
6		\$ 871,894,125		
7	Net of tax rate of return	7.01%		
8				
9				
10	Regulatory Asset Recovery (on Row 3)	\$ 30,458,888	\$ 1.575 (c)	
11	Fixed Asset Recovery Other (on Row 4)	13,011,477	\$ 0.673 (a)	13,011,477
12	Fixed Asset Recovery-Prod Factored (on Row 5)	50,560,063	\$ 2.615 (a)	51,216,142
13	501-Steam Fuel	40,197,040	\$ 2.079 (c)	
14	555-Purchased power	569,095,204	\$ 29.435 (c)	
14a	Tenaska disallowance	(9,536,369)	\$ (0.493) (c)	
15	557-Other Power Exp	12,407,971	\$ 0.642 (a)	12,568,980
16	547-Fuel	94,947,578	\$ 4.911 (c)	
17	565-Wheeling	44,231,987	\$ 2.288 (c)	
18	Variable Transmission Income	(3,724,830)	\$ (0.193) (c)	
19	Hydro and Other Pwr.	52,047,043	\$ 2.692 (a)	52,722,417
20	447-Sales to Others	(27,538,643)	\$ (1.424) (c)	
21	456-Subaccounts 00012 & 00018 and 00035 & 00036	-	\$ - (c)	
22	Transmission Exp - 500KV	485,960	\$ 0.025 (a)	492,266
23	Depreciation-Production (FERC 403)	40,574,158	\$ 2.099 (a)	41,100,657
23a	Amortization-Production Reg Assets (FERC 407)	25,290,481	\$ 1.308 (c)	
23b	Deferred FIT-Production Reg Assets (FERC 407)	(1,898,425)	\$ (0.098) (c)	
25	Depreciation-Transmission	5,107,346	\$ 0.264 (a)	5,107,346
26	Property Taxes-Production	9,435,249	\$ 0.488 (a)	9,557,683
27	Property Taxes-Transmission	4,748,192	\$ 0.246 (a)	4,748,192
28	Subtotal & Baseline Rate	\$ 949,900,369	\$ 49.132 (b)	190,525,159
29	Revenue Sensitive Items	0.9550366		
30		\$ 994,621,953		
31	Test Year DELIVERED Load (MWH's)	19,334,019	<-- includes Firm Wholesale	
32		<u>Before Rev. Sensitive Items</u>	<u>After Rev. Sensitive Items</u>	
33	Power Cost in Rates with Revenue Sensitive Items (the adjusted baseline		51.445	
34	sum of (a) = Fixed Rate Component	9.744	10.203	
35	(b) = Power Cost Rate	49.132	51.445	
36	sum of (c) = Variable Power Rate Component	39.388	41.242	
37				
38				
39	* Regulatory Assets are Tenaska, Encogen Fuel Buyout, BEP and White River Relicensing and Plant Costs			

**Puget Sound Energy**  
**PCA Mechanism Annual Report-PCA 4**  
**Twelve Months Ended June 30, 2006**

**Exhibit A-2 Transmission Rate Base: 7/1/05 - 10/31/05**

Row			Plant AMA 9/30/2003
7	<b>Colstrip Related Transmission Assets</b>		
8			
9	TRANS - COLSTRIP 1 & 2		
10	E351	100127 Easements	\$ 685,927
11	E353	100136 Station Equipment	1,231,131
12	E354	100145 Towers & Fixtures	14,474,343
13	E355	100149 Poles & Fixtures	49,007
14	E356	100157 OH Conductors & Devices	13,158,153
15	E359	100170 Roads & Trails	113,968
16	TOTAL COLSTRIP 1&2 TRANSMISSION		<u>29,712,528</u>
17			
18	TRANS - COLSTRIP 3 & 4		
19	E351	100128 Easements	1,071,124
20	E352	100132 Structures & Improvements	478,326
21	E353	100137 Station Equipment	17,967,782
22	E354	100146 Towers & Fixtures	20,422,516
23	E355	100150 Poles & Fixtures	88,692
24	E356	100158 OH Conductors & Devices	19,991,226
25	E359	100171 Roads & Trails	341,015
26	TOTAL COLSTRIP 3&4 TRANSMISSION		<u>60,360,680</u>
27			
28	TRANS - 3RD NW-SW INTERTIE		
29	E352	100134 Structures & Improvements	1,276,264
30	E353	100143 Station Equipment	31,157,075
31	E354	100147 Towers & Fixtures	22,781,417
32	E355	100649 Poles & Fixtures	204,200
33	E356	100164 OH Conductors & Devices	23,458,256
34	E356	100437 OH Conductors & Devices	206
35	E359	100174 Roads & Trails	59,215
36	TOTAL 3RD NW-SW INTERTIE		<u>78,936,632</u>
37			
38	TRANS - NORTHERN INTERTIE		
39	E354	100879 Towers & Fixtures-Whatcom	5,744,097
40	E355	100878 Poles & Fixtures-Whatcom	11,219
41	E356	100877 OH Conductors & Devices-Whatcom	7,460,099
42	E355	100647 Poles & Fixtures-Skagit	3,398,685
43	E356	100648 OH Conductors & Devices-Skagit	5,142,699
44	TOTAL NORTHERN INTERTIE		<u>21,756,799</u>
45			
46			
47	Total Transmission		\$ 190,766,639
48	Accumulated Depreciation (AMA)		(62,513,234)
49	Deferred Taxes (EOP)		(14,645,716)
50	Transmission portion of:		
51	Colstrip Common FERC Adj, net of accum amort		4,528,960
52	Colstrip Def Depr FERC Adj, net of accum amort		732,428
53	Colstrip Transmission Land		1,779,425
54			
55	Total Transmission Rate Base		<u>\$ 120,648,501</u>

**Puget Sound Energy**  
**PCA Mechanism Annual Report-PCA 4**  
**Twelve Months Ended June 30, 2006**

**Exhibit A-3 Colstrip Fixed Costs (Page 1 of 2): 7/1/05-10/31/05**

Page 8 of 26

Row	FERC	DESCRIPTION	30-Sep-02	30-Sep-03	13 MONTH AMA	ANNUITY RATE	ANNUALIZED DEPRECIATION	ACUMM. DEPR. 09/30/2003
7		Revenue Requirement for Colstrip						
7		Plant	670,682,981					
8		Accumulated Depreciation	(376,332,021)					
9		Deferred Taxes at 9/30/2003	(69,080,985)					
10		Net Plant	225,269,975					
11		Rate of Return (net of Tax)	7.78%					
12		Revenue Requirement after tax	17,526,004					
13		Plant Revenue Requirement	26,963,083	(Adjusted for federal tax)				
14		Expenses	52,468,331					
15		Total Revenue Requirement	79,431,415	(Before revenue sensitive items)				
16								
17		Support for Revenue Requirement - Ratebase						
18								
19		COLSTRIP #1						
17	E310	Land & Land Rights	3,535	-	2,209	0.00%	-	-
21	E311	Structures & Improvements	7,097,390	7,235,283	7,153,419	3.03%	216,749	(4,117,577)
22	E312	Boiler Plant Equipment	56,152,721	51,919,902	53,083,842	3.12%	1,656,216	(33,935,523)
23	E314	Turbo Generating Units	12,421,401	13,596,258	12,362,529	3.29%	406,727	(8,621,634)
24	E315	Accessory Electric Equipment	7,043,604	7,151,247	7,083,203	2.71%	191,955	(4,846,128)
25	E316	Misc. Power Plant Equipment	426,565	486,394	430,525	3.87%	16,661	(254,368)
26		TOTAL	83,145,216	80,389,085	80,115,727	3.11%	2,488,308	(51,775,230)
27		COLSTRIP #2						
25	E310	Land & Land Rights	3,535	-	2,209	0.00%	-	-
29	E311	Structures & Improvements	5,573,640	5,706,503	5,629,325	3.06%	172,257	(3,697,520)
30	E312	Boiler Plant Equipment	40,460,296	46,001,941	43,434,872	3.05%	1,324,764	(29,188,423)
31	E314	Turbo Generating Units	12,498,428	13,493,641	13,197,365	3.26%	430,234	(8,341,796)
32	E315	Accessory Electric Equipment	4,592,474	5,303,205	5,069,470	2.69%	136,369	(3,077,242)
33	E316	Misc. Power Plant Equipment	427,379	511,180	448,318	3.61%	16,184	(254,834)
34		TOTAL	63,555,752	71,016,471	67,781,559	3.07%	2,079,808	(44,559,815)
35		COLSTRIP 1 & 2 COMMON						
33	E310	Land & Land Rights	917,333	915,692	916,718	0.00%	-	-
37	E311	Structures & Improvements	31,949,738	31,473,984	31,776,651	3.16%	1,004,142	(20,643,987)
38	E312	Boiler Plant Equipment	8,221,831	8,354,764	8,243,507	3.18%	262,144	(5,838,816)
39	E314	Turbo Generating Units	3,918,858	3,918,858	3,918,858	3.31%	129,714	(2,654,404)
40	E315	Accessory Electric Equipment	2,420,179	2,420,179	2,420,179	3.07%	74,299	(1,488,980)
41	E316	Misc. Power Plant Equipment	6,492,144	6,492,144	6,492,144	3.82%	248,000	(3,621,040)
42		TOTAL	53,920,083	53,575,621	53,768,057	3.20%	1,718,299	(34,247,228)
43		COLSTRIP 3						
44	E311	Structures & Improvements	28,882,948	28,948,432	28,901,385	2.45%	708,084	(15,739,487)
45	E312	Boiler Plant Equipment	118,685,346	117,282,834	119,507,510	2.68%	3,202,801	(66,739,854)
46	E314	Turbo Generating Units	33,180,681	34,313,111	33,201,899	2.97%	986,096	(16,253,200)
47	E315	Accessory Electric Equipment	6,401,615	6,466,260	6,404,308	2.47%	158,186	(3,223,719)
48	E316	Misc. Power Plant Equipment	456,965	496,445	458,610	2.86%	13,116	(229,534)
49		TOTAL	187,607,555	187,507,081	188,473,712	2.69%	5,068,283	(102,185,794)
50		COLSTRIP 4						
49	E310	Land & Land Rights	1,648	1,648	1,648	0.00%	-	-
52	E311	Structures & Improvements	26,483,797	26,552,773	26,504,125	2.54%	673,205	(13,071,458)
53	E312	Boiler Plant Equipment	100,508,440	104,602,581	101,679,369	2.75%	2,796,183	(50,205,933)
54	E314	Turbo Generating Units	28,602,598	30,772,919	28,949,611	2.94%	851,119	(12,627,171)
55	E315	Accessory Electric Equipment	5,596,707	5,660,702	5,599,048	2.52%	141,096	(2,476,468)
56	E316	Misc. Power Plant Equipment	654,568	694,048	656,213	2.79%	18,308	(312,146)
57		TOTAL	161,847,758	168,284,670	163,390,014	2.74%	4,479,911	(78,693,175)
58		COLSTRIP 3 & 4 COMMON						
57	E310	Land & Land Rights	2,639,412	2,632,824	2,636,942	0.00%	-	-
60	E311	Structures & Improvements	71,867,029	70,746,760	71,454,830	2.33%	1,664,898	(38,051,869)
61	E312	Boiler Plant Equipment	20,298,808	20,359,928	20,316,702	2.48%	503,854	(11,377,893)
62	E314	Turbo Generating Units	274,553	277,420	276,584	2.62%	7,247	(141,675)
63	E315	Accessory Electric Equipment	7,748,971	7,748,971	7,748,971	2.31%	179,001	(3,821,722)
64	E316	Misc. Power Plant Equipment	4,722,721	4,739,216	4,734,405	2.79%	132,090	(2,165,954)
65		TOTAL	107,551,496	106,505,119	107,168,434	2.32%	2,487,090	(55,559,112)
66		COLSTRIP 1-4 COMMON						
67	E316	Misc. Power Plant Equip.	251,534	251,534	251,534	2.46%	6,188	(137,294)
68		TOTAL	251,534	251,534	251,534	2.46%	6,188	(137,294)
69								
70		Subtotal before Colstrip FERC Adjustments	657,879,393	667,529,580	660,949,037	2.77%	18,327,887	(367,157,649)
71		Colstrip Common FERC Adj. (AMA is Net of Accum. Amort.)			7,518,976		354,669	-
72		Colstrip Def Depr FERC Adj. (AMA is Net of Accum. Amort.)			2,214,968		104,311	-
73		Total Plant and Acc. Deprec.			670,682,981	2.80%	18,786,867	(367,157,649)
74								
75		AMA Adj. to Accum Depr.						(9,174,372)
76		Totals			670,682,981	2.80%	18,786,867	(376,332,021)



Puget Sound Energy  
PCA Mechanism Annual Report-PCA 4  
Twelve Months Ended June 30, 2006

**Exhibit A-3 Colstrip Fixed Costs (Page 2 of 2): 7/1/05-10/31/05**

Row	Order	Description	Amount before Prod. Adj.
83			
84			
85			
86			
87		Support for Revenue Requirement - Expenses	
88			
89	50004011	1&2 Sup & Eng - Steam Ope	REDACTED
90	50004012	1&2 Sup & Eng - Steam Ope	
91	50005011	3&4 Sup & Eng - Steam Ope	
92	50005012	3&4 Sup & Eng - Steam Ope	
93	50204001	1&2 Steam Exp - Steam Gen Op	
94	50205001	3&4 Steam Exp - Steam Gen Op	
95	50504001	1&2 Elec Exp - Steam Gen	
96	50505001	3&4 Elec Exp - Steam Gen	
97	50604001	1&2 Misc Exp - Steam Gen	
98	50605001	3&4 Misc Exp - Steam Gen	
99	50605002	3&4 Steam - Housing	
100	50704001	1&2 Rents - Steam Gen Oper	
101	50705001	3&4 Rents - Steam Gen Oper	
102	51004001	1&2 Maint Supv - Steam Gen	
103	51005001	3&4 Maint Supv - Steam Gen	
104	51104001	1&2 Maint of Struct - Stm Gen	
105	51105001	3&4 Maint of Struct - Stm Gen	
106	51204001	1&2 Maint of Boiler - Stm Gen	
107	51205001	3&4 Maint of Boiler - Stm Gen	
108	51304001	1&2 Maint of E Plant - Stm G	
109	51305001	3&4 Maint of E Plant - Stm G	
110	51404001	1&2 Maint of Misc - Stm Gen	
111	51405001	3&4 Maint of Misc - Stm Gen	
112		Property Taxes-Montana	8,987,002
113		Electric Energy Tax	1,741,844
114	403xxxxx	Depreciation and Amortization	18,786,867
115			<u>\$ 52,468,331</u>
116			

REDACTED VERSION

**Puget Sound Energy  
PCA Mechanism Annual Report-PCA 4  
Twelve Months Ended June 30, 2006**

Exhibit A-4 Production Adjustment: 7/1/05-10/31/05

**PUGET SOUND ENERGY-ELECTRIC  
PRODUCTION ADJUSTMENT  
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2003  
GENERAL RATE INCREASE**

LINE NO.	DESCRIPTION	PROFORMA AND RESTATED	PRODUCTION 1.281%	FIT 35%
1	PRODUCTION WAGE INCREASE:			
2	PURCHASED POWER	\$0.00	\$ -	-
3	OTHER POWER SUPPLY	511,434	(6,551)	2,293
4	TOTAL PRODUCTION WAGE INCREASE	<u>511,434</u>	<u>(6,551)</u>	<u>2,293</u>
5	PAYROLL OVERHEADS	1,664,751	(21,325)	7,464
6	PROPERTY INSURANCE	2,245,253	(28,762)	10,067
7	TOTAL A&G	<u>3,910,004</u>	<u>(50,087)</u>	<u>17,531</u>
8				
9	DEPRECIATION / AMORTIZATION:			
10	DEPRECIATION	37,820,331	(484,478)	130,038
11	AMORTIZATION	3,280,326	(42,021)	445
12	TOTAL DEPRECIATION AND AMORTIZATION (FERC 403)	<u>41,100,657</u>	<u>(526,499)</u>	<u>130,483</u>
13	AMORTIZATION (FERC 407)	1,494,702	(19,147)	6,701
14	TAXES OTHER-PRODUCTION PROPERTY:			
15	PROPERTY TAXES - WASHINGTON	4,236,207	(54,266)	18,993
16	PROPERTY TAXES - MONTANA	5,321,476	(68,168)	23,859
17	ELECTRIC ENERGY TAX	1,741,844	(22,313)	7,810
18	PAYROLL TAXES	737,508	(9,447)	3,307
19	TOTAL TAXES OTHER	<u>12,037,035</u>	<u>(154,194)</u>	<u>53,969</u>
20	INCREASE(DECREASE) INCOME		756,480	
21	INCREASE(DECREASE) FIT			210,977
22	INCREASE(DECREASE) NOI			<u>\$ 545,503</u>
23				
24	PRODUCTION RATE BASE:			
25	DEPRECIABLE PRODUCTION PROPERTY	\$1,123,818,126	\$ (14,396,110)	
26	LESS PRODUCTION PROPERTY ACCUM DEPR.	(580,591,154)	7,437,373	
27	NON-DEPRECIABLE PRODUCTION PROPERTY	13,260,193	(169,863)	
28	LESS PRODUCTION PROPERTY ACCUM AMORT.	(1,861,180)	23,842	
29	COLSTRIP COMMON FERC ADJUSTMENT	7,518,976	(96,318)	
30	COLSTRIP DEFERRED DEPRECIATION FERC ADJ.	2,214,968	(28,374)	
31	ENCOGEN ACQUISITION ADJUSTMENT	51,952,633	(665,513)	
32	NET PRODUCTION PROPERTY	<u>616,312,563</u>	<u>(7,894,963)</u>	
33	DEDUCT:			
34	LIBR. DEPREC. PRE 1981 (EOP)	(647,743)	8,298	
35	LIBR. DEPREC. POST 1980 (EOP)	(119,403,787)	1,529,563	
36	OTHER DEF. TAXES (EOP)	(21,361,000)	273,634	
37	SUBTOTAL	<u>(141,412,530)</u>	<u>1,811,495</u>	
38				
39	ADJUSTMENT TO PRODUCTION RATE BASE	<u>474,900,033</u>	<u>(6,083,468)</u>	
40				
41	REGULATORY ASSETS RATE BASE:			
42	BPA POWER EXCHANGE INVESTMENT	41,731,621	(534,582)	
43	TENASKA REGULATORY ASSET	179,146,208	(2,294,863)	
44	CABOT OIL REGULATORY ASSET	5,972,250	(76,505)	
45	WHITE RIVER RELICENSING COSTS	17,900,360	(229,304)	
46	WHITE RIVER PLANT COSTS	41,343,483	(529,610)	
47	ADJUSTMENT TO REGULATORY ASSETS RATE BASE	<u>286,093,922</u>	<u>(3,664,864)</u>	
48				
49	TOTAL ADJUSTMENT TO RATE BASE	<u>\$ 760,993,956</u>	<u>\$ (9,748,332)</u>	

**Puget Sound Energy**  
**PCA Mechanism Annual Report-PCA 4**  
**Twelve Months Ended June 30, 2006**

**Exhibit A-5 Power Costs: 7/1/05-10/31/05**

**PUGET SOUND ENERGY-ELECTRIC**  
**POWER COSTS**  
**FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2003**  
**GENERAL RATE INCREASE**

LINE NO.	DESCRIPTION	ACTUAL	PROFORMA	INCREASE (DECREASE)
1	PRODUCTION EXPENSES:			
2	FUEL	\$ 64,236,514	\$137,354,114.05	\$ 73,117,600
3	PURCHASED AND INTERCHANGED	769,384,600	596,801,097	(172,583,503)
3a	TENASKA DISALLOWANCE	-	(9,536,369)	(9,536,369)
4				
5	WHEELING	39,868,912	44,231,987	4,363,075
6	HYDRO AND OTHER POWER	46,852,153	52,047,043	5,194,890
7	TRANS. EXP. INCL. 500KV O&M	492,266	485,960	(6,306)
8	SALES FOR RESALE	(199,186,464)	(27,538,643)	171,647,821
9	PURCHASES/SALES OF NON-CORE GAS	(9,704,193)	-	9,704,193
10	WHEELING FOR OTHERS	(12,727,829)	(9,398,452)	3,329,377
11	SUBTOTAL	\$ 699,215,959	\$ 784,446,737	\$ 85,230,778
12				
13	LESS: SALES FOR RESALE	199,186,464	27,538,643	(171,647,821)
14	LESS: WHEELING FOR OTHERS	12,727,829	9,398,452	(3,329,377)
15	SCH. 94 - RES./FARM CREDIT	(172,382,420)	-	172,382,420
16	TOTAL	\$ 738,747,832	\$ 821,383,832	\$ 82,636,000
17	TRANS. EXP. INCL. 500KV O&M	(492,266)		
18	PURCHASES/SALES OF NON-CORE GAS	9,704,193		
19	POWER COSTS PER G/L	\$ 747,959,759		
20	INCREASE(DECREASE) INCOME			\$ (82,636,000)
21				
22	INCREASE(DECREASE) FIT @	35%		(28,922,600)
23	INCREASE(DECREASE) NOI			\$ (53,713,400)

**Schedule B: Monthly Power Costs -- PCA PERIOD 4**  
**Derived from Original PCA Exhibit B**  
**Subject to PCA Sharing**  
**UE-011570**

PCA Mechanism Annual Report-PCA 4  
 Twelve Months Ended June 30, 2006

Row	Jul-05	Aug-05	Sep-05	Oct-05	Nov-05	Dec-05	Jan-06	Feb-06	Mar-06	Apr-06	May-06	Jun-06	Period to Date
6													
7	\$ 5,352,302	\$ 5,352,302	\$ 5,352,302	\$ 5,352,302	\$ 5,352,302	\$ 5,352,302	\$ 5,352,302	\$ 5,352,302	\$ 5,352,302	\$ 5,352,302	\$ 5,352,302	\$ 5,352,302	\$ 5,352,302
8	\$ 10,524,795	\$ 10,524,795	\$ 10,524,795	\$ 10,524,795	\$ 10,524,795	\$ 10,524,795	\$ 10,524,795	\$ 10,524,795	\$ 10,524,795	\$ 10,524,795	\$ 10,524,795	\$ 10,524,795	\$ 10,524,795
9	\$ 15,877,097	\$ 15,877,097	\$ 15,877,097	\$ 15,877,097	\$ 15,877,097	\$ 15,877,097	\$ 15,877,097	\$ 15,877,097	\$ 15,877,097	\$ 15,877,097	\$ 15,877,097	\$ 15,877,097	\$ 15,877,097
10													
11	\$ 4,230,525	\$ 3,669,132	\$ 3,763,113	\$ 3,453,767	\$ 3,616,449	\$ 4,028,663	\$ 3,797,123	\$ 4,354,599	\$ 4,368,865	\$ 3,989,431	\$ 3,282,947	\$ 3,147,201	\$ 45,711,735
12	\$ 2,862,969	\$ 5,315,989	\$ 1,216,504	\$ 4,335,436	\$ 447,565	\$ 7,807,709	\$ 2,724,037	\$ 4,493,323	\$ 1,845,883	\$ 1,855,464	\$ 1,433,429	\$ 573,930	\$ 30,140,966
13	\$ (724,475)	\$ (3,581,050)	\$ (4,828,688)	\$ (6,039,235)	\$ (1,503,041)	\$ (4,307,958)	\$ (3,023,689)	\$ (819,375)	\$ (2,062,223)	\$ (1,858,637)	\$ (2,428,383)	\$ (1,815,700)	\$ (32,992,454)
14	\$ 56,664,665	\$ 65,777,648	\$ 64,011,670	\$ 75,897,466	\$ 86,858,234	\$ 105,715,174	\$ 83,544,014	\$ 75,303,585	\$ 85,900,982	\$ 83,851,044	\$ 45,137,352	\$ 54,978,628	\$ 853,638,582
15	\$ (15,262,086)	\$ (16,785,220)	\$ (8,579,054)	\$ (8,523,716)	\$ (9,905,931)	\$ (12,779,405)	\$ (6,615,702)	\$ (4,921,679)	\$ (4,265,248)	\$ (3,469,438)	\$ (6,507,803)	\$ (6,773,764)	\$ (104,389,046)
16	\$ 3,501,522	\$ 3,537,265	\$ 5,464,040	\$ 4,689,805	\$ 4,417,353	\$ 5,039,935	\$ 3,724,905	\$ 4,329,924	\$ 4,182,848	\$ 4,182,848	\$ 4,260,697	\$ 4,224,387	\$ 52,549,080
17	\$ (185,103)	\$ (23,320)	\$ (162,698)	\$ (287,819)	\$ (164,065)	\$ (137,800)	\$ (159,188)	\$ (134,466)	\$ (624,969)	\$ (1,006,949)	\$ (975,080)	\$ (270,601)	\$ (4,131,360)
18	\$ 32,864	\$ 32,864	\$ (190,627)	\$ (41,633)	\$ (24,558)	\$ (52,331)	\$ (124,568)	\$ (153,591)	\$ (24,558)	\$ (124,568)	\$ (24,558)	\$ (124,568)	\$ 786,538
19	\$ 51,120,501	\$ 57,343,306	\$ 60,694,260	\$ 68,713,199	\$ 83,891,722	\$ 105,913,333	\$ 85,431,088	\$ 82,892,300	\$ 89,021,853	\$ 57,678,721	\$ 44,327,717	\$ 54,188,639	\$ 841,216,041
20													
21	\$ 2,431,305	\$ 2,431,305	\$ 2,578,647	\$ 2,480,419	\$ 2,480,419	\$ 2,471,096	\$ 2,480,419	\$ 2,480,419	\$ 2,637,492	\$ 2,497,872	\$ 2,497,872	\$ 2,497,799	\$ 29,965,063
22													
23	\$ 69,428,903	\$ 76,251,710	\$ 79,150,004	\$ 87,070,715	\$ 102,436,607	\$ 126,195,759	\$ 106,151,879	\$ 103,449,880	\$ 109,696,144	\$ 78,424,223	\$ 65,062,388	\$ 74,850,997	\$ 1,078,969,209
24													
25													
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Note: This schedule was derived from original PCA collaborative exhibit B  
 Note 1: White River and DIT turnaround for all reg assets

Exhibit D: Regulatory Assets and Liabilities net of Accumulated Amortization and Deferred Taxes (PCA Periods)  
 PCA Period 3 Annual Report Compliance Filing

12 Months Ended December 31 PCA Period 3 - July 2004 through June 2005

Ref	Description	Asset Amort	DFIT	Balance net of		Asset Amort	DFIT Amort	AMA Ratebase as of	A.T. %	Return		
				AA & ADFIT	AMA Ratebase as of							
9												
10	Cabot Buyout											
15	Dec 2003 \$	(1,409,000)	584,000	8,174,000								
16	Dec 2004 \$	(1,768,000)	601,000	7,007,000								
17	Dec 2005 \$	(2,163,000)	620,000	5,464,000								
23						(1,965,500)	199,040	8,621,792	6/05	7.3%&7.01%	621,239	955,752
24												
25	Tenaska											
32	Dec 2003 \$	(11,924,000)	675,000	204,355,000								
33	Dec 2004 \$	(14,744,000)	834,000	190,445,000								
34	Dec 2005 \$	(17,908,000)	1,013,000	173,550,000								
43						(16,326,000)	301,086	198,322,583	6/05	7.3%&7.01%	14,290,039	21,984,675
44												
45	BEP											
46	Beginning			54,662,561								
47	Dec 2002 \$	(3,526,620)		51,135,941								
48	Dec 2003 \$	(3,526,620)		47,609,321								
49	Dec 2004 \$	(3,526,620)		44,082,701								
50	Dec 2005 \$	(3,526,620)		40,556,081								
64						(3,526,620)	-	44,082,701	6/05	7.3%&7.01%	3,176,358	4,886,704
65												
66	White River Relicensing (Note 2)											
67	Beginning \$			20,545,452								
68	Dec 2004 \$			15,194,768								
69	Dec 2005 \$			15,496,378								
76						-	-	15,867,232	6/05	7.3%&7.01%	362,638	557,905
77												
78	White River Plant Costs											
79	Beginning \$			43,419,577								
80	Dec 2004 \$	(1,494,702)	131,415	42,062,182								
81	Dec 2005 \$	(1,494,702)	274,805	40,832,283								
88						(1,494,702)	48,196	42,108,376	6/05	7.3%&7.01%	3,034,099	4,667,844
89												
90	Canwest Liability											
91	Beginning \$			-								
92	Dec 2004 \$			(977,293)								
93	Dec 2005 \$	632,917	(221,521)	(6,170,942)								
98						-	-	(1,317,326)	6/05	7.3%&7.01%	(56,453)	(86,851)

Period	From		To		Return
	Asset Amort	DFIT Amort	AMA Ratebase as of	A.T. %	
PCA #3	(23,312,822)	548,322	307,685,358	6/05	7.3%&7.01%
					21,427,919
					32,966,029

Note (1) Amounts in these columns are net of accumulated amortization AND the associated Deferred FIT liability / asset.  
 Note (2) During the 2004 General Rate Case filed under WUTC Docket No. UE-040640, et al., it was agreed that the return of the White River Relicensing costs would be delayed until the sale of White River is complete. At that time, the Commission can make a final determination in a separate proceeding regarding the application of the proceeds against the deferred costs and the disposition of any remaining balance.

**Exhibit E - Contract Adjustments: 7/1/05-10/31/05**

Row	Description	Effective 5/1/04 UE- 031725	GRC RY Mar05-Feb06	Rate till Feb05				Adjust for Positive Differences
				Rate till Feb05	Rate till Feb05	Rate till Feb05	Rate till Feb05	
				Total Cost + Replacement Energy Cost for Displ. NUGS \$	Actual Rate \$/kwh	Rate Change		
7	CONTRACTS			REDACTED	REDACTED	REDACTED	REDACTED	
8	Baker Replacement			REDACTED	REDACTED	REDACTED	REDACTED	
9	BC Hydro Point Roberts			REDACTED	REDACTED	REDACTED	REDACTED	
10	BPA WNP-3 Exchange Power			REDACTED	REDACTED	REDACTED	REDACTED	
11	BPA WNP3 Return			REDACTED	REDACTED	REDACTED	REDACTED	
12	BPA Snohomish Conservation			REDACTED	REDACTED	REDACTED	REDACTED	
13	CSPE			REDACTED	REDACTED	REDACTED	REDACTED	
14	Mid-Columbia			REDACTED	REDACTED	REDACTED	REDACTED	
15	Canadian Entitlement and CEA			REDACTED	REDACTED	REDACTED	REDACTED	
16	MPC Firm Contract-Demand			REDACTED	REDACTED	REDACTED	REDACTED	
17	MPC Firm Contract-Energy			REDACTED	REDACTED	REDACTED	REDACTED	
18	PPL Contract 15 Yr			REDACTED	REDACTED	REDACTED	REDACTED	
19	Supplemental Entitlement Cap			REDACTED	REDACTED	REDACTED	REDACTED	
20	North Wasco Winter			REDACTED	REDACTED	REDACTED	REDACTED	
20A	North Wasco Summer			REDACTED	REDACTED	REDACTED	REDACTED	
21	WWP Contract 15 Yr			REDACTED	REDACTED	REDACTED	REDACTED	
22	P&E Exchange Storage Acctg.			REDACTED	REDACTED	REDACTED	REDACTED	
23	QF Shipp Hutch Creek			REDACTED	REDACTED	REDACTED	REDACTED	
24	QF Koma Kulshan Hydro			REDACTED	REDACTED	REDACTED	REDACTED	
25	QF March Point Cogen 1 Winter			REDACTED	REDACTED	REDACTED	REDACTED	
26	QF March Point Cogen 1 Summer			REDACTED	REDACTED	REDACTED	REDACTED	
27	QF March Point Cogen 2 Winter			REDACTED	REDACTED	REDACTED	REDACTED	
28	QF March Point Cogen 2 Summer			REDACTED	REDACTED	REDACTED	REDACTED	
29	QF Port Townsend Hydro			REDACTED	REDACTED	REDACTED	REDACTED	
30	QF PERC Puyallup			REDACTED	REDACTED	REDACTED	REDACTED	
31a	QF Spokane MSW Winter			REDACTED	REDACTED	REDACTED	REDACTED	
31b	QF Spokane MSW Summer			REDACTED	REDACTED	REDACTED	REDACTED	
32	QF Sumas Winter			REDACTED	REDACTED	REDACTED	REDACTED	
33	QF Sumas Summer			REDACTED	REDACTED	REDACTED	REDACTED	
34	QF Syglowicz			REDACTED	REDACTED	REDACTED	REDACTED	
35	QF Tenaska (excl. Reg. Amort.)			REDACTED	REDACTED	REDACTED	REDACTED	
36	QF Twin Falls			REDACTED	REDACTED	REDACTED	REDACTED	
37	QF Weeks Falls			REDACTED	REDACTED	REDACTED	REDACTED	
38	Skookumchuck			REDACTED	REDACTED	REDACTED	REDACTED	
39	TOTAL			REDACTED	REDACTED	REDACTED	REDACTED	\$ (27,487)

Row	Effective 5/1/04 UE- 031725	GRC RY Mar05-Feb06	Rate Mar05	Rate Mar05	Rate Mar05	Rate Mar05	Rate Mar05	Adjust for Positive Differences
			Total Cost + Replacement Energy Cost for Displ NUGS \$	Actual Rate \$/kwh	Rate Change			
7	CONTRACTS							
8	Baker Replacement							
9	BC Hydro Point Roberts							
10	BPA WNP-3 Exchange Power							
11	BPA WNP3 Return							
12	BPA Snohomish Conservation							
13	CSPE							
14	Mid-Columbia							
15	Canadian Entitlement and CEA							
16	MPC Firm Contract-Demand							
17	MPC Firm Contract-Energy							
18	PPL Contract 15 Yr							
19	Supplemental Entitlement Cap							
20	North Wasco Winter							
20A	North Wasco Summer							
21	WMP Contract 15 Yr							
22	PG&E Exchange Storage Acctg							
23	QF Shipp Hutch Creek							
24	QF Koma Kulshan Hydro							
25	QF March Point Cogen 1 Winter							
26	QF March Point Cogen 1 Summer							
27	QF March Point Cogen 2 Winter							
28	QF March Point Cogen 2 Summer							
29	QF Port Townsend Hydro							
30	QF PERC Puyallup							
31a	QF Spokane MSW Winter							
31b	QF Spokane MSW Summer							
32	QF Sumas Winter							
33	QF Sumas Summer							
34	QF Syltowitz							
35	QF Tenaska (excl Reg Amort)							
36	QF Twin Falls							
37	QF Weeks Falls							
38	Skookumchuck							
39	TOTAL							





Puget Sound Energy, Inc.  
Power Cost Adjustment Mechanism Annual Report  
PCA Period Four  
Twelve Months Ended June 30, 2006

**Exhibits**

From 11/01/05 through 06/30/06  
Docket No. UE-050870 Power Cost Only Rate Case

**Puget Sound Energy**  
**PCA Mechanism Annual Report-PCA 4**  
**Twelve Months Ended June 30, 2006**

**Exhibit A-1 Power Cost Rate: 11/1/05-6/30/06**

Row	Test Year	Test Yr \$/MWh	Adjustment to Power Cost Rate	Baseline Rate	Production Factor 0.99569 Rate Year(1)
		(I)	(II)	(III)	(IV)
3	Regulatory Assets (2) (Variable)	\$ 267,511,998			
4	Transmission Rate Base (Fixed)	115,730,840			
5	Production Rate Base (Fixed)	624,544,579			
6		\$ 1,007,787,417			
7	Net of tax rate of return	7.01%			
8					
9					
10	Regulatory Asset (2) Recovery (on Row 3)	\$ 28,850,140	\$ 1.441	\$ 1.441	(c)
11	Fixed Asset Recovery Other (on Row 4)	12,481,126	\$ 0.623	\$ 0.623 (a)	\$ 12,481,126
12	Fixed Asset Recovery-Prod Factored (on Row 5)	67,354,731	\$ 3.363	\$ 3.363 (a)	67,646,286
13	501-Steam Fuel	41,235,648	\$ 2.059	\$ 2.059	(c)
14	555-Purchased power	650,971,182	\$ 32.505	\$ 32.505	(c)
14a	Rate Disallowances for March Point 2 and Tenaska	(12,026,890)	\$ (0.601)	\$ (0.601)	(c)
15	557-Other Power Exp	12,232,541	\$ 0.611	\$ 0.611 (a)	12,285,492
16	547-Fuel	56,102,147	\$ 2.801	\$ 2.801	(c)
17	565-Wheeling	50,952,098	\$ 2.544	\$ 2.544	(c)
18	Variable Transmission Income	(3,430,528)	\$ (0.171)	\$ (0.171)	(c)
19	Hydro and Other Pwr.	59,692,693	\$ 2.981	\$ 2.981 (a)	59,951,082
20	447-Sales to Others	(7,821,028)	\$ (0.391)	\$ (0.391)	(c)
21	456-Subaccounts 00012 & 00018 and 00035 & 00036	(1,196,883)	\$ (0.060)	\$ (0.060)	(c)
22	Transmission Exp - 500KV	609,231	\$ 0.030	\$ 0.030 (a)	611,868
23	Depreciation-Production (FERC 403)	50,720,695	\$ 2.533	\$ 2.533 (a)	50,940,248
24	Depreciation-Transmission	5,109,271	\$ 0.255	\$ 0.255 (a)	5,109,271
24a	Amortization - Regulatory Assets	25,820,706	\$ 1.289	\$ 1.289	(c)
24b	Deferred FIT Expense - Reg Assets	(1,898,425)	\$ (0.095)	\$ 0.095	(c)
26	Property Taxes-Production	9,564,303	\$ 0.478	\$ 0.478 (a)	9,605,704
27	Property Taxes-Transmission	4,239,723	\$ 0.212	\$ 0.212 (a)	4,239,723
28	Subtotal & Baseline Rate	\$ 1,049,562,480	\$ 52.409	\$ 52.503	(b) \$ 222,870,799
29	Revenue Sensitive Items	0.9550366			
30		\$ 1,098,976,186			
31	Test Year DELIVERED Load (MWH's)	20,026,538	← includes Firm Wholesale		

	Before Rev. Sensitive Items	After Rev. Sensitive Items	Before Rev. Sensitive Items	After Rev. Sensitive Items
	Rev Reg (Column I)	Rev Reg (Column I)	Deferral (Column III)	Deferral (Column III)
37	Power Cost in Rates with Revenue Sensitive			
38	Items (the adjusted baseline)	\$ 52.409	\$ 54.876	\$ 52.503
39	sum of (a) = Fixed Rate Component	\$ 11.086	\$ 11.607	\$ 11.086
40	(b) = Power Cost Rate	\$ 52.409	\$ 54.876	\$ 52.503
41	sum of (c) = Variable Power Rate Component	\$ 41.323	\$ 43.269	\$ 41.418
42				\$ 43.368

46 (1) - Rate Year includes test year amounts plus the impacts of any adjustments to power cost rate. Production related costs are  
47 then grossed-up by the production factor of 0.99569 where appropriate.  
48  
49  
50

51 (2) - Regulatory Assets are shown in detail on Exhibit D.

Puget Sound Energy  
PCA Mechanism Annual Report-PCA 4  
Twelve Months Ended June 30, 2006

**Exhibit A-2 Transmission Rate Base: 11/1/05 - 6/30/06**

Row		Plant AMA 3/31/2005	Annualized Depreciation
8	<b>Colstrip Related Transmission Assets</b>		
9			
10	TRANS - COLSTRIP 1 & 2		
11	E350 Land and Land Rights	\$ 10,247	\$ -
12	E351 Easements	685,927	17,011
13	E353 Station Equipment	1,231,131	34,964
14	E354 Towers & Fixtures	14,474,343	374,896
15	E355 Poles & Fixtures	49,007	774
16	E356 OH Conductors & devices	13,158,153	369,744
17	E359 Roads & Trails	113,968	2,872
18	COLSTRIP 1&2 TRANSMISSION	29,722,776	800,261
19	TRANS - COLSTRIP 3 & 4		
20	E351 Easements	1,071,124	27,314
21	E352 Structures & Improvements	495,945	12,057
22	E353 Station Equipment	17,983,934	587,977
23	E354 Towers & Fixtures	20,458,938	542,869
24	E355 Poles & Fixtures	88,692	2,386
25	E356 OH Conductors & Devices	19,991,226	571,749
26	E359 Roads & Trails	341,015	8,730
27	COLSTRIP 3&4 TRANSMISSION	60,430,874	1,753,081
28	TRANS - 3RD NW-SW INTERTIE		
29	E350 Land and Land Rights	1,769,178	-
30	E352 Structures & Improvements	1,276,264	22,845
31	E353 Station Equipment	31,157,075	716,613
32	E354 Towers & Fixtures	22,781,417	430,569
33	E355 Poles & Fixtures	204,200	5,268
34	E356 OH Conductors & devices	23,458,461	609,920
35	E359 Roads & Trails	59,215	628
36	TOTAL 3RD NW-SW INTERTIE	80,705,810	1,785,843
37	TRANS - NORTHERN INTERTIE		
38	E350 Land and Land Rights	30,604	-
39	E354 Towers & Fixtures-Whatcom	5,744,097	106,840
40	E355 Poles & Fixtures-Whatcom	11,219	289
41	E356 OH Conductors & Devices-Whatc	7,460,099	193,963
42	E355 Poles & Fixtures-Skagit	3,398,685	87,686
43	E356 OH Conductors & Devices-Skagit	5,142,699	133,710
44	TOTAL NORTHERN INTERTIE	21,787,403	522,488
45			
46	Total Transmission	192,646,863	4,861,673
47	Less		
48	Accumulated Depreciation (AMA)	(68,580,133)	
49	Deferred Taxes (EOP)	(13,225,093)	
50	Add Transmission Portion of:		
51	Colstrip Common FERC Adj, net of accum amort	4,208,514	213,630
52	Colstrip Def Depr FERC Adj, net of accum amort	680,689	34,493
53			
54	Transmission Ratebase	\$ 115,730,840	\$ 5,109,797

Puget Sound Energy  
PCA Mechanism Annual Report-PCA 4  
Twelve Months Ended June 30, 2006

**Exhibit A-3 Colstrip Fixed Costs (Page 1 of 2): 11/1/05-6/30/06**

Row

8	Revenue Requirement for Colstrip		
9	Plant	683,847,908	
10	Accumulated Depreciation	(384,319,124)	
11	Deferred Taxes at 6/30/2003	(65,574,042)	
12	Net Plant	233,954,742	
13	Rate of Return (net of Tax)	7.01%	
14	Revenue Requirement after tax	16,400,227	
15	Plant Revenue Requirement	25,231,119	(Adjusted for Federal Tax)
16	Expenses	54,650,791	
17	Total Revenue Requirement	79,881,910	(before revenue sensitive items)

Section 1 of 2

Support for Revenue Requirement - Ratebase

FERC	DESCRIPTION	31-Mar-04	31-Mar-05	13 MONTH AMA	ANNUITY RATE	ANNUALIZED DEPRECIATION	ACUMM. DEPR. 06/30/2003
	<b>COLSTRIP #1</b>						
E311	Structures & Improvements	7,235,283	7,372,745	7,386,230	3.03%	223,803	(4,073,980)
E312	Boiler Plant Equipment	54,087,207	52,680,111	53,054,963	3.12%	1,655,315	(33,602,708)
E314	Turbo Generating Units	13,596,258	14,969,912	14,634,602	3.29%	481,478	(8,483,528)
E315	Accessory Electric Equipment	7,151,247	7,153,656	7,152,593	2.71%	193,835	(4,794,950)
E316	Misc. Power Plant Equipment	486,394	537,632	504,143	3.87%	19,510	(246,688)
	<b>TOTAL</b>	<b>82,556,389</b>	<b>82,714,055</b>	<b>82,732,531</b>	<b>3.11%</b>	<b>2,573,941</b>	<b>(51,201,855)</b>
	<b>COLSTRIP #2</b>						
E311	Structures & Improvements	5,706,503	5,727,592	5,728,283	3.06%	175,285	(3,653,230)
E312	Boiler Plant Equipment	46,001,941	46,553,042	46,470,850	3.05%	1,417,361	(28,806,599)
E314	Turbo Generating Units	13,493,641	14,323,040	14,249,672	3.26%	464,539	(8,235,807)
E315	Accessory Electric Equipment	5,303,205	5,061,164	5,233,253	2.69%	140,775	(3,043,974)
E316	Misc. Power Plant Equipment	511,180	562,410	528,043	3.61%	19,062	(247,499)
	<b>TOTAL</b>	<b>71,016,471</b>	<b>72,227,249</b>	<b>72,210,101</b>	<b>3.07%</b>	<b>2,217,022</b>	<b>(43,987,109)</b>
	<b>COLSTRIP 1 &amp; 2 COMMON</b>						
E311	Structures & Improvements	31,473,984	31,359,809	31,440,683	3.16%	993,526	(20,395,759)
E312	Boiler Plant Equipment	8,354,764	8,030,614	8,260,221	3.18%	262,675	(5,767,278)
E314	Turbo Generating Units	3,918,858	3,918,858	3,918,858	3.31%	129,714	(2,622,147)
E315	Accessory Electric Equipment	2,420,179	2,379,882	2,408,426	3.07%	73,939	(1,470,405)
E316	Misc. Power Plant Equipment	6,366,491	6,365,234	6,354,815	3.82%	242,754	(3,559,040)
	<b>TOTAL</b>	<b>52,534,276</b>	<b>52,054,397</b>	<b>52,383,003</b>	<b>3.25%</b>	<b>1,702,608</b>	<b>(33,814,629)</b>
	<b>COLSTRIP 3</b>						
E311	Structures & Improvements	28,948,432	28,976,803	28,978,876	2.45%	709,982	(15,568,775)
E312	Boiler Plant Equipment	121,014,137	118,651,909	119,189,045	2.68%	3,194,266	(63,482,913)
E314	Turbo Generating Units	34,313,111	38,223,363	37,220,353	2.97%	1,105,444	(15,966,099)
E315	Accessory Electric Equipment	6,466,260	6,466,260	6,466,260	2.47%	159,717	(3,183,989)
E316	Misc. Power Plant Equipment	496,445	531,119	507,610	2.86%	14,518	(224,109)
	<b>TOTAL</b>	<b>191,238,385</b>	<b>192,849,454</b>	<b>192,362,144</b>	<b>2.69%</b>	<b>5,183,927</b>	<b>(98,425,884)</b>
	<b>COLSTRIP 4</b>						
E311	Structures & Improvements	26,552,773	26,546,706	26,554,659	2.54%	674,488	(12,902,625)
E312	Boiler Plant Equipment	104,602,581	105,620,134	105,408,981	2.75%	2,898,747	(49,488,910)
E314	Turbo Generating Units	30,772,919	33,040,130	32,326,921	2.94%	950,411	(12,387,935)
E315	Accessory Electric Equipment	5,660,702	5,660,702	5,660,702	2.52%	142,650	(2,441,024)
E316	Misc. Power Plant Equipment	694,048	728,727	705,215	2.79%	19,675	(305,486)
	<b>TOTAL</b>	<b>168,283,022</b>	<b>171,596,400</b>	<b>170,656,478</b>	<b>2.75%</b>	<b>4,685,971</b>	<b>(77,525,980)</b>
	<b>COLSTRIP 3 &amp; 4 COMMON</b>						
E311	Structures & Improvements	70,723,992	70,676,244	70,713,181	2.33%	1,647,617	(37,638,359)
E312	Boiler Plant Equipment	20,359,928	19,413,895	20,084,002	2.48%	498,083	(11,249,994)
E314	Turbo Generating Units	277,420	277,420	277,420	2.62%	7,268	(139,868)
E315	Accessory Electric Equipment	7,748,971	7,669,926	7,725,916	2.31%	178,469	(3,776,971)
E316	Misc. Power Plant Equipment	4,725,566	4,725,430	4,725,435	2.79%	131,840	(2,132,955)
	<b>TOTAL</b>	<b>103,835,877</b>	<b>102,762,915</b>	<b>103,525,954</b>	<b>2.38%</b>	<b>2,463,277</b>	<b>(54,938,148)</b>
	<b>COLSTRIP 1-4 COMMON</b>						
E316	Misc. Power Plant Equip.	251,534	251,534	251,534	2.46%	6,188	(135,747)
	<b>TOTAL</b>	<b>251,534</b>	<b>251,534</b>	<b>251,534</b>	<b>2.46%</b>	<b>6,188</b>	<b>(135,747)</b>
66	Subtotal before Colstrip FERC Adjustments	669,715,953	674,456,004	674,121,745	2.79%	18,832,934	(388,517,156)
67	Colstrip Common FERC Adj. (AMA is Net of Accum. Amort.)			6,986,973		354,669	
68	Colstrip Def Depr FERC Adj. (AMA is Net of Accum. Amort.)			2,739,190		104,311	
69	Total Plant and Acc. Deprec.			683,847,908	2.82%	19,291,914	(360,029,352)
70	AMA Adj. to Accum Depr.						4,198,033
71	Totals			683,847,908	2.82%	19,291,914	(384,319,124)

**Exhibit A-3 Colstrip Fixed Costs (Page 2 of 2): 11/1/05-6/30/06**

Row  
 82  
 83  
 84  
 85

Support for Revenue Requirement - Expenses	Description	Amount before Prod. Adj.
88	Order	
89	50004011 1&2 Sup & Eng - Steam Ope	REDACTED
90	50004012 1&2 Sup & Eng - Steam Ope	
91	50005011 3&4 Sup & Eng - Steam Ope	
92	50005012 3&4 Sup & Eng - Steam Ope	
93	50204001 1&2 Steam Exp - Steam Gen Op	
94	50205001 3&4 Steam Exp - Steam Gen Op	
95	50504001 1&2 Elec Exp - Steam Gen	
96	50505001 3&4 Elec Exp - Steam Gen	
97	50604001 1&2 Misc Exp - Steam Gen	
98	50605001 3&4 Misc Exp - Steam Gen	
99	50605002 3&4 Steam - Housing	
100	50704001 1&2 Rents - Steam Gen Oper	
101	50705001 3&4 Rents - Steam Gen Oper	
102	51004001 1&2 Maint Supv - Steam Gen	
103	51005001 3&4 Maint Supv - Steam Gen	
104	51104001 1&2 Maint of Struct - Stm Gen	
105	51105001 3&4 Maint of Struct - Stm Gen	
106	51204001 1&2 Maint of Boiler - Stm Gen	
107	51205001 3&4 Maint of Boiler - Stm Gen	
108	51304001 1&2 Maint of E Plant - Stm G	
109	51305001 3&4 Maint of E Plant - Stm G	
110	51404001 1&2 Maint of Misc - Stm Gen	
111	51405001 3&4 Maint of Misc - Stm Gen	
112	Subtotal on Orders	24,506,641
113	Property Taxes-Montana	9,075,236
114	Electric Energy Tax	1,777,000
115	403xxxxx Depreciation	19,291,914
		<u>\$ 54,650,791</u>

REDACTED VERSION

Puget Sound Energy  
PCA Mechanism Annual Report-PCA 4  
Twelve Months Ended June 30, 2006

Exhibit A-4 Production Adjustment: 11/1/05-06/30/06

**PUGET SOUND ENERGY  
POWER COST ONLY RATE CASE  
TWELVE MONTHS ENDED JUNE 30, 2003  
PRODUCTION ADJUSTMENT**

LINE NO.	DESCRIPTION	PROFORMA AND RESTATED	PRODUCTION 0.431%	NET AMOUNT
1	PRODUCTION O&M INCLUDED IN 557:			
2	WORKER'S COMPENSATION	\$ 174,142	\$ (751)	\$ 173,391
3	PROPERTY INSURANCE	2,037,313	(8,781)	2,028,533
4	ELECTRIC ENERGY TAX	1,641,527	(7,075)	1,634,452
5	TOTAL PRODUCTION O&M	<u>3,852,983</u>	<u>(16,606)</u>	<u>3,836,376</u>
6				
7	INCREASE TO O&M EXPENSE ASSOC W/ NEW RESOURCE	5,914,900	(25,493)	5,889,406
8				
9	DEPRECIATION AND AMORTIZATION ON PRODUCTION			
10	PROPERTY	50,940,248	(219,552)	50,720,695
11				
12	PROPERTY TAXES ON PRODUCTION PROPERTY	9,605,704	(41,401)	9,564,303
13				
14	TOTAL PRODUCTION ADJUSTMENT TO BASELINE RATE	<u><b>\$ 70,313,834</b></u>	<u><b>\$ (303,053)</b></u>	<u><b>\$ 70,010,781</b></u>
15				
16	PRODUCTION RATE BASE:			
17	PRODUCTION PROPERTY	\$ 1,338,829,468	\$ (5,770,355)	\$ 1,333,059,113
18	COLSTRIP COMMON FERC ADJUSTMENT	6,986,973	(30,114)	6,956,859
19	COLSTRIP DEFERRED DEPRECIATION FERC ADJ.	2,739,190	(11,806)	2,727,384
20	ENCOGEN ACQUISITION ADJUSTMENT	47,973,283	(206,765)	47,766,518
21	LESS PRODUCTION PROPERTY ACCUM DEPR.	(633,007,012)	2,728,260	(630,278,752)
22	LESS PRODUCTION PROPERTY ACCUM AMORT.	(650,193)	2,802	(647,391)
23	NET PRODUCTION PROPERTY	<u>762,871,710</u>	<u>(3,287,977)</u>	<u>759,583,733</u>
24				
25	DEDUCT:			
26	LIBR. DEPREC. PRE 1981 (EOP)	(666,413)	2,872	(663,541)
27	LIBR. DEPREC. POST 1980 (EOP)	(86,079,859)	371,004	(85,708,855)
28	OTHER DEF. TAXES (EOP)	(48,877,419)	210,662	(48,666,757)
29	ADJUSTMENT TO RATE BASE BEFORE CWIP	<u>(135,623,691)</u>	<u>584,538</u>	<u>(135,039,153)</u>
30				
31				
32	TOTAL ADJUSTMENT TO PRODUCTION RATE BASE	<u><b>\$ 627,248,019</b></u>	<u><b>\$ (2,703,439)</b></u>	<u><b>\$ 624,544,580</b></u>
33				
34				
35	<b><u>O&amp;M ON REGULATORY ASSETS</u></b>			
36	AMORTIZATION OF REGULATORY ASSETS	25,932,475	(111,769)	25,820,706
37				
38	TOTAL REGULATORY ASSET ADJUSTMENT TO BASELINE RATE	<u><b>\$ 25,932,475</b></u>	<u><b>\$ (111,769)</b></u>	<u><b>\$ 25,820,706</b></u>
39				
40	REGULATORY ASSETS RATE BASE:			
41	BPA POWER EXCHANGE INVESTMENT	\$39,086,656.01	(\$168,463.49)	\$ 44,560,096
42	TENASKA REGULATORY ASSET	165,436,333	(713,031)	164,723,303
43	CABOT OIL REGULATORY ASSET	4,640,333	(20,000)	4,620,333
44	WHITE RIVER PLANT COSTS	40,323,990	(173,796)	40,150,194
45	WHITE RIVER RELICENSING & CWIP	15,186,755	(65,455)	15,121,300
46	CANWEST (NEW)	(5,142,452)	22,164	(5,120,288)
47	HOPKINS RIDGE PREPAID TRANSMISSION (NEW)	9,138,350	(39,386)	9,098,964
48				
49	TOTAL ADJUSTMENT TO REGULATORY ASSETS RATE BASE	<u><b>\$ 268,669,966</b></u>	<u><b>\$ (1,157,968)</b></u>	<u><b>\$ 267,511,998</b></u>

Puget Sound Energy  
PCA Mechanism Annual Report-PCA 4  
Twelve Months Ended June 30, 2006

Exhibit A-5 Power Costs: 11/1/05-6/30/06

**PUGET SOUND ENERGY  
POWER COST ONLY RATE CASE  
TWELVE MONTHS ENDED MARCH 31, 2005  
RATE YEAR ENDED NOVEMBER 30, 2006  
POWER COST**

LINE NO. DESCRIPTION	TEST YEAR	ADJUSTED TEST YEAR	ADJUSTMENT
1 PRODUCTION EXPENSES:			
2 FUEL:			
3 501-STEAM FUEL	\$45,960,060	\$41,235,648	(\$4,724,412)
4 547-FUEL	33,154,766	56,102,147	22,947,381
5 PURCHASED AND INTERCHANGED:			
6 555-PURCHASED POWER	664,778,155	650,971,182	(13,806,973)
7 RATE DISALLOWANCES FOR MARCH POINT 2 AND TENASKA	-	(12,026,890)	(12,026,890)
8 557 - OTHER POWER EXPENSE	9,177,172	8,396,165	(781,007)
9 WHEELING	41,347,737	49,453,239	8,105,502
10 HYDRO AND OTHER POWER	47,963,661	55,302,146	7,338,485
11 TRANS. EXP. INCL. 500KV O&M	611,868	609,231	(2,637)
12 SALES FOR RESALE	(61,345,930)	(7,821,028)	53,524,902
13 PURCHASES/SALES OF NON-CORE GAS	(6,042,112)	(1,196,883)	4,845,229
14 WHEELING FOR OTHERS - COLSTRIP, 3RD AC & NI	(4,358,524)	(3,430,528)	927,996
15 INCREASE (DECREASE) EXPENSE	771,246,852	837,594,427	66,347,575
16			
17 LESS: SALES FOR RESALE	61,345,930	7,821,028	(53,524,902)
18 LESS: WHEELING FOR OTHERS	4,358,524	3,430,528	(927,996)
19 SCH. 94 - RES./FARM CREDIT	-	-	-
20 INCREASE(DECREASE) EXPENSE	\$ 836,951,306	848,845,984	\$ 11,894,678
21 TRANS. EXP. INCL. 500KV O&M		(609,231)	
22 PURCHASES/SALES OF NON-CORE GAS		1,196,883	
23 POWER COSTS PER G/L		\$ 849,433,636	

**Schedule B: Monthly Power Costs -- PCA PERIOD 4**

Derived from Original PCA Exhibit B

Subject to PCA Sharing

UE-011570

PCA Mechanism Annual Report-PCA 4  
Twelve Months Ended June 30, 2006

Row	Jul-05	Aug-05	Sep-05	Oct-05	Nov-05	Dec-05	Jan-06	Feb-06	Mar-06	Apr-06	May-06	Jun-06	Period to Date
7	\$ 5,352,302	\$ 5,352,302	\$ 5,352,302	\$ 5,352,302	\$ 5,272,121	\$ 6,451,157	\$ 6,468,884	\$ 6,492,945	\$ 6,463,893	\$ 6,470,777	\$ 6,463,893	\$ 6,387,706	\$ 71,880,581
8	\$ 10,524,795	\$ 10,524,795	\$ 10,524,795	\$ 10,524,795	\$ 10,792,946	\$ 11,760,173	\$ 11,771,488	\$ 11,784,216	\$ 11,772,906	\$ 11,776,854	\$ 11,772,906	\$ 11,776,854	\$ 135,907,524
9	\$ 15,877,097	\$ 15,877,097	\$ 15,877,097	\$ 15,877,097	\$ 16,065,066	\$ 18,211,330	\$ 18,240,372	\$ 18,277,161	\$ 18,236,800	\$ 18,247,631	\$ 18,236,800	\$ 18,164,860	\$ 207,186,105
10	\$ 4,230,525	\$ 3,669,132	\$ 3,783,113	\$ 3,453,767	\$ 3,616,449	\$ 4,028,883	\$ 3,797,123	\$ 4,354,599	\$ 4,368,865	\$ 3,999,431	\$ 3,282,947	\$ 3,147,201	\$ 45,711,735
11	\$ 2,862,569	\$ 5,315,989	\$ 1,216,504	\$ (435,436)	\$ 447,565	\$ 7,807,709	\$ 2,724,037	\$ 4,493,323	\$ 1,845,883	\$ 1,855,464	\$ 1,433,429	\$ 573,930	\$ 30,140,966
12	\$ (724,475)	\$ (3,581,050)	\$ (4,828,898)	\$ (6,039,235)	\$ (1,503,041)	\$ (4,307,958)	\$ (3,023,689)	\$ (619,375)	\$ (2,062,223)	\$ (1,858,637)	\$ (2,428,383)	\$ (1,815,700)	\$ (32,992,454)
13	\$ 56,664,685	\$ 65,777,648	\$ 64,011,670	\$ 75,897,466	\$ 86,858,234	\$ 105,715,174	\$ 83,544,014	\$ 75,303,585	\$ 85,900,082	\$ 53,851,044	\$ 45,137,502	\$ 54,978,628	\$ 853,639,582
14	\$ (15,262,086)	\$ (16,785,220)	\$ (9,579,054)	\$ (8,523,716)	\$ (9,905,931)	\$ (12,779,405)	\$ (6,515,702)	\$ (4,921,679)	\$ (4,265,248)	\$ (3,469,438)	\$ (6,507,803)	\$ (6,773,764)	\$ (104,389,046)
15	\$ 3,501,322	\$ 3,537,265	\$ 3,464,040	\$ 4,689,805	\$ 4,417,353	\$ 5,134,389	\$ 5,039,935	\$ 4,262,924	\$ 3,724,905	\$ 4,182,848	\$ 4,260,897	\$ 4,224,387	\$ 52,460,080
16	\$ (185,103)	\$ (23,320)	\$ (162,698)	\$ (281,189)	\$ (164,065)	\$ (137,900)	\$ (159,186)	\$ (134,466)	\$ (624,969)	\$ (1,006,549)	\$ (975,080)	\$ (270,801)	\$ (4,131,360)
17	\$ 32,864	\$ 32,864	\$ (190,627)	\$ (190,627)	\$ (190,627)	\$ (190,627)	\$ (190,627)	\$ (190,627)	\$ (190,627)	\$ (190,627)	\$ (190,627)	\$ (190,627)	\$ (1,906,270)
18	\$ 51,120,501	\$ 57,943,308	\$ 60,694,260	\$ 68,713,199	\$ 83,891,122	\$ 105,513,333	\$ 85,431,088	\$ 82,692,300	\$ 89,021,853	\$ 57,678,721	\$ 44,327,717	\$ 54,168,639	\$ 641,216,041
19	\$ 2,431,305	\$ 2,431,305	\$ 2,578,647	\$ 2,480,419	\$ 2,480,419	\$ 2,471,096	\$ 2,480,419	\$ 2,480,419	\$ 2,637,492	\$ 2,497,872	\$ 2,497,872	\$ 2,497,799	\$ 29,965,063
20	\$ 69,428,903	\$ 76,251,710	\$ 79,150,004	\$ 87,070,715	\$ 102,436,607	\$ 126,195,759	\$ 106,151,879	\$ 103,449,880	\$ 109,896,144	\$ 78,424,223	\$ 65,062,388	\$ 74,850,997	\$ 1,078,369,209
21	\$ (261,336)	\$ (267,973)	\$ (328,045)	\$ (351,157)	\$ (315,458)	\$ (384,211)	\$ (306,730)	\$ (266,611)	\$ (279,819)	\$ (213,512)	\$ (63,730)	\$ (219,209)	\$ (3,246,790)
22	\$ (13,376)	\$ (11,396)	\$ (368)	\$ (1,746)	\$ (188,361)	\$ (197,786)	\$ (197,751)	\$ (178,157)	\$ (98,303)	\$ (127,630)	\$ (33,555)	\$ (31,597)	\$ (1,080,025)
23	\$ (778,427)	\$ (778,427)	\$ (778,427)	\$ (778,427)	\$ (778,427)	\$ (778,427)	\$ (778,427)	\$ (778,427)	\$ (778,427)	\$ (778,427)	\$ (778,427)	\$ (778,427)	\$ (9,341,122)
24	\$ (1,043,139)	\$ (1,057,786)	\$ (1,106,840)	\$ (1,131,330)	\$ (1,262,246)	\$ (1,360,423)	\$ (1,281,908)	\$ (1,156,549)	\$ (1,119,569)	\$ (875,711)	\$ (1,029,232)	\$ (1,029,232)	\$ (13,667,937)
25	\$ 68,385,764	\$ 75,193,914	\$ 78,043,164	\$ 85,039,385	\$ 101,154,361	\$ 124,835,336	\$ 104,666,972	\$ 102,226,685	\$ 108,739,595	\$ 77,304,654	\$ 64,186,677	\$ 73,821,765	\$ 1,064,701,272
26	\$ 1,507,579,263	\$ 1,544,390,047	\$ 1,478,731,635	\$ 1,633,225,388	\$ 1,929,875,314	\$ 2,175,645,704	\$ 2,043,524,920	\$ 1,900,937,949	\$ 1,932,469,981	\$ 1,649,231,277	\$ 1,580,058,712	\$ 1,499,311,100	\$ 20,875,011,290
27	\$ 74,070,384	\$ 75,876,972	\$ 72,653,043	\$ 80,243,630	\$ 101,324,973	\$ 114,228,749	\$ 107,291,961	\$ 99,805,664	\$ 101,462,777	\$ 86,590,213	\$ 82,958,420	\$ 78,718,897	\$ 302,846,029
28	\$ (5,684,621)	\$ (6,855,058)	\$ 5,390,121	\$ 5,695,755	\$ (170,612)	\$ 10,606,988	\$ (2,421,989)	\$ 2,421,022	\$ 7,276,818	\$ (9,285,559)	\$ (18,771,743)	\$ (4,897,132)	\$ (10,526,410)
29	\$ (5,684,621)	\$ (6,855,058)	\$ 5,390,121	\$ 5,695,755	\$ (170,612)	\$ 10,606,988	\$ (2,421,989)	\$ 2,421,022	\$ 7,276,818	\$ (9,285,559)	\$ (18,771,743)	\$ (4,897,132)	\$ (10,526,410)
30	\$ (5,682,358)	\$ (6,847,855)	\$ 5,387,976	\$ 5,693,488	\$ (170,544)	\$ 10,602,366	\$ (2,421,025)	\$ 2,420,307	\$ 7,273,922	\$ (9,281,863)	\$ (18,764,272)	\$ (4,895,979)	\$ (10,522,768)
31	\$ (5,682,358)	\$ (6,847,855)	\$ 5,387,976	\$ 5,693,488	\$ (170,544)	\$ 10,602,366	\$ (2,421,025)	\$ 2,420,307	\$ 7,273,922	\$ (9,281,863)	\$ (18,764,272)	\$ (4,895,979)	\$ (10,522,768)
32	\$ 5,682,358	\$ 6,847,855	\$ (5,387,976)	\$ (5,693,488)	\$ 170,544	\$ (10,602,366)	\$ 2,421,025	\$ (2,420,307)	\$ (7,273,922)	\$ 9,281,863	\$ 18,764,272	\$ 4,895,979	\$ 10,522,768
33	\$ (5,682,358)	\$ (6,367,143)	\$ (979,168)	\$ 4,714,320	\$ 4,543,777	\$ 15,146,143	\$ 12,725,117	\$ 15,145,424	\$ 22,419,347	\$ (13,137,483)	\$ (5,626,789)	\$ (10,522,768)	\$ (10,522,768)
34	\$ 5,682,358	\$ 6,367,143	\$ 979,168	\$ (4,714,320)	\$ (4,543,777)	\$ (15,146,143)	\$ (12,725,117)	\$ (15,145,424)	\$ (22,419,347)	\$ (13,137,483)	\$ 5,626,789	\$ 10,522,768	\$ 10,522,768

Note: This schedule was derived from original PCA collaborative exhibit B

Note 1: White River and DIT turnaround for all reg assets



Exhibit D: Regulatory Assets and Liabilities net of Accumulated Amortization and Deferred Taxes (PCA Periods)  
 PCA Period 4 (Trued-Up as of 06/30/2006; Distributed July 6, 2006)

12 Months Ended December 31  
 Balance net of  
 AA & AD FIT  
 (Note 1)

Ref	Description	Asset Amort.	Asset Amort.	AMA Release as of	A.T. %	Amount	Return	
							Pre Tax	Monthly
10								
11	Cabot Buyout		7,007,000					
17	Dec 2004 \$	(1,768,000)				621,239	955,752	79,646
18	Dec 2005 \$	(2,163,000)	5,464,000	7.3%&7.01%	621,239	379,250	583,461	48,622
19	Dec 2006 \$	(2,614,000)	3,491,000	7.01%	279,302		428,685	35,808
25								
26	Tenaska		190,445,000					
34	Dec 2004 \$	(14,744,000)				14,290,039	21,984,675	1,632,056
35	Dec 2005 \$	(17,908,000)	173,550,000	7.01%	12,143,458	18,682,243	1,566,854	
36	Dec 2006 \$	(20,615,000)	154,100,000	7.01%	11,143,213	17,143,404	1,428,617	
46								
47	BEP		44,082,701					
51	Dec 2004 \$	(3,526,620)				3,176,358	4,886,704	407,225
52	Dec 2005 \$	(3,526,620)	40,556,081	7.01%	2,842,981	4,373,817	364,485	
53	Dec 2006 \$	(3,526,620)	37,029,461	7.01%	2,657,569	4,088,568	340,714	
58	White River Relicensing (Note 2)		20,545,452					
69	Beginning \$		15,194,768			362,638	557,905	46,492
70	Dec 2004 \$		17,134,558			1,172,580	1,803,969	150,331
71	Dec 2005 \$		17,442,218			1,222,699	1,881,076	156,756
72	Dec 2006 \$							
81	White River Plant Costs		43,419,577					
82	Beginning \$		42,062,182			3,034,099	4,667,844	388,987
84	Dec 2004 \$	(1,494,702)				2,862,334	4,403,591	366,966
85	Dec 2005 \$	(1,494,702)	40,832,250	7.01%	2,798,184	4,304,898	358,741	
86	Dec 2006 \$	(1,494,702)	39,612,053	7.01%				
94	Canwest Liability							
95	Beginning \$		(977,293)			(62,513)	(98,174)	(8,014)
96	Dec 2004 \$		(6,170,942)			(384,651)	(582,079)	(49,340)
97	Dec 2005 \$	632,917	(3,702,565)			(302,808)	(465,859)	(38,622)
98	Dec 2006 \$	3,797,503						
105	Hopkins Ridge Prepaid Transmission (Note 3)		10,750,000					
106	Beginning \$		10,750,000			467,600	719,384	59,949
107	Dec 2004 \$					702,474	1,080,729	90,061
108	Dec 2005 \$							
109	Dec 2006 \$	(1,094,332)	9,655,668					

Period	From	To	Asset Amort	AMA Release as of	A.T. %	Amount	Return		
							Pre Tax	Monthly	
PCA #3	Jul 2004	Jun 2005	(23,312,822)	307,685,359	6/05	7.3%&7.01%	21,421,859	32,956,707	2,746,392
PCA #4	Jul 2005	Jun 2006	(24,507,562)	277,936,545	6/06	7.01%	19,463,352	28,974,987	2,497,866

Note (1) Amounts in these columns are net of accumulated amortization AND the associated Deferred FIT liability / asset.

Note (2) During the 2004 General Rate Case filed under WUTC Docket No. UE-040640, et al., it was agreed that the return of the White River Relicensing costs would be delayed until the sale of White River is complete. At that time, the Commission can make a final determination in a separate proceeding regarding the application of the proceeds against the deferred costs and the disposition of any remaining balance.

Note (3) Because Hopkins Ridge Prepaid Transmission regulatory asset was projected to the entire 12 months of the rate year in UE-050870, a full year's return is allowed for PCA 4 when the Power Cost Baseline Rate is in effect from UE-050870.

**Exhibit E - Contract Adjustments: 11/1/05-6/30/06**

2005 PCORC  
RY Dec05-  
Nov06

Row

7	<b>CONTRACTS</b>
8	Baker Replacement
9	BC Hydro Point Roberts
10	BPA WNP-3 Exchange Power
11	BPA WNP3 Return
12	BPA Snohomish Conservation
13	CSPE
14	Mid-Columbia
15	Canadian Entitlement and CEA-EA
16	MPC Firm Contract-Demand
17	MPC Firm Contract-Energy
18	PPL Contract 15 yr
19	Supplemental Entitlement Cap
20	North Wasco Winter
20A	North Wasco Summer
21	WWP Contract 15 yr
22	PG&E Exchange Storage Acctg.
23	QF Shipp Hutch. Creek
24	QF Koma Kulshan Hydro
25	QF March Point Cogen 1 Winter
26	QF March Point Cogen 1 Summer
27	QF March Point Cogen 2 Winter
28	QF March Point Cogen 2 Summer
29	QF Port Townsend Hydro
30	QF PERC Puyallup
31a	QF Spokane MSW Winter
31b	QF Spokane MSW Summer
32	QF Sumas Winter
33	QF Sumas Summer
34	QF Sygitowicz
35	QF Tenaska (excl. Reg. Amort.)
36	QF Twin Falls
37	QF Weeks Falls
38	Skookumchuck

REDACTED