

Exhibit No. ___ (JOINT-3C)
Docket No. UE-050870
Witness: Joint
REDACTED VERSION

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

**WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,**

Complainant,

v.

PUGET SOUND ENERGY, INC.,

Respondents.

DOCKET NO. UE-050870

EXHIBIT TO

JOINT TESTIMONY OF:

**KIMBERLY HARRIS
JOHN H. STORY
JAMES M. RUSSELL
DONALD W. SCHOENBECK**

IN SUPPORT OF SETTLEMENT AGREEMENT

CONFIDENTIAL PER PROTECTIVE ORDER

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

Docket No. UE-050870
Exhibit No. ___ (Joint-3C)
Power Cost Rate Exhibits
Page 1 of 10

Exhibit A-1 Power Cost Rate

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%				
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	\$ 0.095	\$ 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 Req (Column I)		Deferral (Column III)		
37	Power Cost in Rates with Revenue Sensitive				
38	Items (the adjusted baseline)	\$ 52.409	\$ 54.876	\$ 52.503	\$ 54.975
39	sum of (a) = Fixed Rate Component	\$ 11.086	\$ 11.607	\$ 11.086	\$ 11.607
40	(b) = Power Cost Rate	\$ 52.409	\$ 54.876	\$ 52.503	\$ 54.975
41	sum of (c) = Variable Power Rate Component	\$ 41.323	\$ 43.269	\$ 41.418	\$ 43.368

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

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

Exhibit A-2 Transmission Rate Base

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

Exhibit A-3 Colstrip Fixed Costs

Row

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

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
	COLSTRIP #1						
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	(206,688)
	TOTAL	82,556,389	82,714,055	82,732,531	3.11%	2,573,941	(51,241,855)
	COLSTRIP #2						
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)
	TOTAL	71,016,471	72,227,249	72,210,101	3.07%	2,217,022	(43,987,109)
	COLSTRIP 1 & 2 COMMON						
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	(3,558,040)
	TOTAL	52,534,276	52,054,397	52,383,003	3.25%	1,702,608	(33,814,629)
	COLSTRIP 3						
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)
	TOTAL	191,238,385	192,849,454	192,362,144	2.69%	5,183,927	(98,425,884)
	COLSTRIP 4						
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)
	TOTAL	168,283,022	171,596,400	170,656,478	2.75%	4,685,971	(77,525,980)
	COLSTRIP 3 & 4 COMMON						
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)
	TOTAL	103,835,877	102,762,915	103,525,954	2.38%	2,463,277	(54,938,148)
	COLSTRIP 1-4 COMMON						
E316	Misc. Power Plant Equip.	251,534	251,534	251,534	2.46%	6,188	(135,747)
	TOTAL	251,534	251,534	251,534	2.46%	6,188	(135,747)
62	Subtotal before Colstrip FERC Adjustments	669,715,953	674,456,004	674,121,745	2.79%	18,832,934	(388,517,156)
63	Colstrip Common FERC Adj. (AMA is Net of Accum. Amort.)			6,986,973		354,669	
64	Colstrip Def Depr FERC Adj. (AMA is Net of Accum. Amort.)			2,739,190		104,311	
65	Total Plant and Acc. Deprec.			683,847,908	2.82%	19,291,914	(360,029,352)
66	AMA Adj. to Accum Depr.						4,198,033
67	Totals			683,847,908	2.82%	19,291,914	(384,319,124)
68							

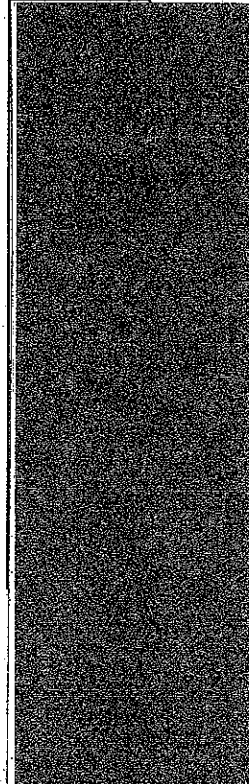
Row **Exhibit A-3 Colstrip Fixed Costs**

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Support for Revenue Requirement - Expenses
 Description

Amount before
 Prod. Adj.

Order
 50004011 1&2 Sup & Eng - Steam Ope
 50004012 1&2 Sup & Eng - Steam Ope
 50005011 3&4 Sup & Eng - Steam Ope
 50005012 3&4 Sup & Eng - Steam Ope
 50204001 1&2 Steam Exp - Steam Gen Op
 50205001 3&4 Steam Exp - Steam Gen Op
 50504001 1&2 Elec Exp - Steam Gen
 50505001 3&4 Elec Exp - Steam Gen
 50604001 1&2 Misc Exp - Steam Gen
 50605001 3&4 Misc Exp - Steam Gen
 50605002 3&4 Steam - Housing
 50704001 1&2 Rents - Steam Gen Oper
 50705001 3&4 Rents - Steam Gen Oper
 51004001 1&2 Maint Supv - Steam Gen
 51005001 3&4 Maint Supv - Steam Gen
 51104001 1&2 Maint of Struct - Stm Gen
 51105001 3&4 Maint of Struct - Stm Gen
 51204001 1&2 Maint of Boiler - Stm Gen
 51205001 3&4 Maint of Boiler - Stm Gen
 51304001 1&2 Maint of E Plant - Stm G
 51305001 3&4 Maint of E Plant - Stm G
 51404001 1&2 Maint of Misc - Stm Gen
 51405001 3&4 Maint of Misc - Stm Gen
 Subtotal on Orders
 Property Taxes-Montana
 Electric Energy Tax
 403xxxxx Depreciation



**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	3,852,983	(16,606)	3,836,376
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 PROPERTY	50,940,248	(219,552)	50,720,695
10				
11	PROPERTY TAXES ON PRODUCTION PROPERTY	9,605,704	(41,401)	9,564,303
12				
13	TOTAL PRODUCTION ADJUSTMENT TO BASELINE RATE	<u>\$ 70,313,834</u>	<u>\$ (303,053)</u>	<u>\$ 70,010,781</u>
14				
15	PRODUCTION RATE BASE:			
16	PRODUCTION PROPERTY	\$ 1,338,829,468	\$ (5,770,355)	\$ 1,333,059,113
17	COLSTRIP COMMON FERC ADJUSTMENT	6,986,973	(30,114)	6,956,859
18	COLSTRIP DEFERRED DEPRECIATION FERC ADJ.	2,739,190	(11,806)	2,727,384
19	ENCOGEN ACQUISITION ADJUSTMENT	47,973,283	(206,765)	47,766,518
20	LESS PRODUCTION PROPERTY ACCUM DEPR.	(633,007,012)	2,728,260	(630,278,752)
21	LESS PRODUCTION PROPERTY ACCUM AMORT.	(650,193)	2,802	(647,391)
22	NET PRODUCTION PROPERTY	762,871,710	(3,287,977)	759,583,733
23				
24	DEDUCT:			
25	LIBR. DEPREC. PRE 1981 (EOP)	(666,413)	2,872	(663,541)
26	LIBR. DEPREC. POST 1980 (EOP)	(86,079,859)	371,004	(85,708,855)
27	OTHER DEF. TAXES (EOP)	(48,877,419)	210,662	(48,666,757)
28	ADJUSTMENT TO RATE BASE BEFORE CWIP	(135,623,691)	584,538	(135,039,153)
29				
30	TOTAL ADJUSTMENT TO PRODUCTION RATE BASE	<u>\$ 627,248,019</u>	<u>\$ (2,703,439)</u>	<u>\$ 624,544,580</u>
31				
32				
33				
34	<u>O&M ON REGULATORY ASSETS</u>			
35	AMORTIZATION OF REGULATORY ASSETS	25,932,475	(111,769)	25,820,706
36				
37	TOTAL REGULATORY ASSET ADJUSTMENT TO BASELINE RATE	<u>\$ 25,932,475</u>	<u>\$ (111,769)</u>	<u>\$ 25,820,706</u>
38				
39	REGULATORY ASSETS RATE BASE:			
40	BPA POWER EXCHANGE INVESTMENT	\$39,086,656.01	(\$168,463.49)	\$ 44,560,096
41	TENASKA REGULATORY ASSET	165,436,333	(713,031)	164,723,303
42	CABOT OIL REGULATORY ASSET	4,640,333	(20,000)	4,620,333
43	WHITE RIVER PLANT COSTS	40,323,990	(173,796)	40,150,194
44	WHITE RIVER RELICENSING & CWIP	15,186,755	(65,455)	15,121,300
45	CANWEST (NEW)	(5,142,452)	22,164	(5,120,288)
46	HOPKINS RIDGE PREPAID TRANSMISSION (NEW)	9,138,350	(39,386)	9,098,964
47				
48	TOTAL ADJUSTMENT TO REGULATORY ASSETS RATE BASE	<u>\$ 268,669,966</u>	<u>\$ (1,157,968)</u>	<u>\$ 267,511,998</u>
49				

**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	\$45,960,059.64	\$41,235,647.83	(\$4,724,411.81)
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	

Exhibit D: Regulatory Assets and Liabilities net of Accumulated Amortization and Deferred Taxes (PCA Periods)
2005 Power Cost Only Rate Case **Test Year Ended March 31, 2005** **Rate Year Ended November 30, 2006**

		12 Months Ended December 31			PCA Periods - 12 Months Ended June 30			Return	
Ref	Description	Asset Amort	AA & ADFIT	Balance net of	Asset Amort	AMA Ratebase as of	A.T. %	Amount	Pre Tax
		(Note 1)	(Note 2)	(Note 2)	(Note 1)	(Note 2)			
9									
10	Cabot Buyout								
15	Dec 2003	\$ (1,409,000)	\$ 8,174,000		(2,388,500)	5,410,125	6/06	379,250	583,461
16	Dec 2004	\$ (1,768,000)	\$ 7,007,000		(2,846,000)	3,435,833	6/07	240,852	370,541
17	Dec 2005	\$ (2,163,000)	\$ 5,464,000		(2,244,000)	1,243,125	6/08	87,143	134,066
18	Dec 2006	\$ (2,614,000)	\$ 3,491,000		(705,000)	134,333	6/09	9,417	14,487
19	Dec 2007	\$ (3,078,000)	\$ 1,076,000		-	-	6/10	-	-
20	Dec 2008	\$ (1,410,000)	-		-	-	6/10	-	-
21	Dec 2009	\$ -	-		-	-	6/10	-	-
22	Dec 2010	\$ -	-		-	-	6/10	-	-
23									
24									
25	Tenaska								
32	Dec 2003	\$ (11,924,000)	\$ 204,355,000		(19,261,500)	173,230,500	6/06	12,143,458	18,682,243
33	Dec 2004	\$ (14,744,000)	\$ 190,445,000		(22,479,000)	153,659,833	6/07	10,771,554	16,571,622
34	Dec 2005	\$ (17,908,000)	\$ 173,550,000		(26,307,500)	130,669,042	6/08	9,159,900	14,092,154
35	Dec 2006	\$ (20,615,000)	\$ 154,100,000		(30,474,000)	103,938,208	6/09	7,286,068	11,209,336
36	Dec 2007	\$ (24,343,000)	\$ 131,133,000		(35,104,500)	73,054,458	6/10	5,121,118	7,878,642
37	Dec 2008	\$ (28,272,000)	\$ 104,458,000		(39,081,000)	37,864,083	6/11	2,654,272	4,083,496
38	Dec 2009	\$ (32,676,000)	\$ 73,628,000						
39	Dec 2010	\$ (37,533,000)	\$ 38,215,000						
40	Dec 2011	\$ (40,629,000)	\$ -						
43									
44									
45	BEP								
48	Dec 2003	\$ (3,526,620)	\$ 47,609,321		(3,526,620)	40,556,081	6/06	2,842,981	4,373,817
49	Dec 2004	\$ (3,526,620)	\$ 44,082,701		(3,526,620)	37,029,461	6/07	2,595,765	3,993,485
50	Dec 2005	\$ (3,526,620)	\$ 40,556,081		(3,526,620)	33,502,841	6/08	2,348,549	3,613,153
51	Dec 2006	\$ (3,526,620)	\$ 37,029,461		(3,526,620)	29,976,221	6/09	2,101,333	3,232,820
52	Dec 2007	\$ (3,526,620)	\$ 33,502,841		(3,526,620)	26,449,601	6/10	1,854,117	2,852,488
53	Dec 2008	\$ (3,526,620)	\$ 29,976,221		(3,526,620)	22,922,981	6/10	1,606,901	2,472,155
54	Dec 2009	\$ (3,526,620)	\$ 26,449,601						
55	Dec 2010	\$ (3,526,620)	\$ 22,922,981						
56	Dec 2011	\$ (3,526,620)	\$ 19,396,361						
64									

G/L Accts #18230171 and #28300461 and Order #54756002

G/L Accts #18230001 and #28300451 and Order #55500423

G/L Accts #18230071 and #18230081 and Order #55500007

Exhibit D: Regulatory Assets and Liabilities net of Accumulated Amortization and Deferred Taxes (PCA Periods)
2005 Power Cost Only Rate Case **Test Year Ended March 31, 2005** **Rate Year Ended November 30, 2006**

Ref	Description	12 Months Ended December 31		PCA Periods - 12 Months Ended June 30			Return		
		Asset Amort	AA & ADFIT	Asset Amort	AMA Ratebase as of	A.T. %		Amount	Pre Tax
		(Note 1)	(Note 2)	(Note 1)	(Note 2)				
65									
66	White River Relicensing (Note 3)								
67	Beginning		20,545,452						
68	Dec 2004		15,194,768						
69	Dec 2005		15,186,755						
70	Dec 2006		15,186,755		15,186,755	6/06	7.01%	1,064,592	1,637,833
71	Dec 2007		15,186,755		15,186,755	6/07	7.01%	1,064,592	1,637,833
72	Dec 2008		15,186,755		15,186,755	6/08	7.01%	1,064,592	1,637,833
73	Dec 2009		15,186,755		15,186,755	6/09	7.01%	1,064,592	1,637,833
74	Dec 2010		15,186,755		15,186,755	6/10	7.01%	1,064,592	1,637,833
75	Dec 2011		15,186,755		15,186,755	6/11	7.01%	1,064,592	1,637,833
76									
77									
78	White River Plant Costs								
79	Beginning		43,419,577						
80	Dec 2004		(1,494,702)						
81	Dec 2005		(1,494,702)						
82	Dec 2006		(1,494,702)		40,832,282	6/06	7.01%	2,862,343	4,403,605
83	Dec 2007		(1,494,702)		39,625,399	6/07	7.01%	2,777,740	4,273,447
84	Dec 2008		(1,494,702)		38,496,626	6/08	7.01%	2,698,154	4,151,006
85	Dec 2009		(1,494,702)		37,328,387	6/09	7.01%	2,617,103	4,026,312
86	Dec 2010		(1,494,702)		36,203,841	6/10	7.01%	2,537,889	3,904,445
87	Dec 2011		(1,494,702)		35,079,291	6/11	7.01%	2,459,058	3,783,167
88									
89									
90	Canwest Liability								
91	Beginning		(977,293)						
92	Dec 2004		(6,170,942)						
93	Dec 2005		632,917						
94	Dec 2006		3,797,503		5,490,031	6/06	7.01%	(384,851)	(592,079)
95	Dec 2007		3,797,503		(3,702,565)	6/07	7.01%	(259,550)	(399,307)
96	Dec 2008		1,898,751		(1,234,188)	6/08	7.01%	(86,517)	(133,102)
97	Dec 2009		-		(0)	6/09	7.01%	(0)	(0)
98									

G/L Accts #18230641, #18230691, #19000021 and 28300011

G/L Accts #18220011, #18220021, #18220031, #18220041 and #18220051 and Order #40700015
 DFIT included in 28200121

G/L Accts #25400021, #14300061 and 19000451 and Order # 54756004

Exhibit D: Regulatory Assets and Liabilities net of Accumulated Amortization and Deferred Taxes (PCA Periods)
2005 Power Cost Only Rate Case **Test Year Ended March 31, 2005** **Rate Year Ended November 30, 2006**

Ref	Description	12 Months Ended December 31			PCA Periods - 12 Months Ended June 30			Return Amount
		Asset Amort (Note 1)	AA & ADFIT (Note 2)	Balance net of AA & ADFIT (Note 2)	Asset Amort (Note 1)	AMA Ratebase as of (Note 2)	A.T. %	
100								
101	Hopkins Ridge Prepaid Transmission			10,000,000				
102	Beginning	\$	\$	\$				417,793
103	Dec 2005	(137,504)		9,862,496	(1,003,478)	5,959,953	6/06	7.01%
104	Dec 2006	(1,755,152)		8,107,344	(1,831,001)	8,096,144	6/07	7.01%
105	Dec 2007	(1,908,883)		6,198,462	(1,989,586)	6,186,726	6/08	7.01%
106	Dec 2008	(2,072,451)		4,126,010	(2,158,291)	4,113,712	6/09	7.01%
107	Dec 2009	(2,246,430)		1,879,580	(2,337,704)	1,866,690	6/10	7.01%
108	Dec 2010	(1,879,580)		-	(679,940)	96,495	6/11	7.01%
109	Dec 2011			-				6,764
110								10,407

G/L Acct #1823XXXX and Order #565XXXXX

Period	From	To	Asset Amort	AMA Ratebase as of	A.T. %	Return		
						Pre Tax	Monthly	
PCA #4	Jul-05	Jun-06	(25,143,131)	275,685,664	6/06	7.01%	29,731,639	2,477,637
PCA #5	Jul-06	Jun-07	(28,379,820)	253,330,861	6/07	7.01%	27,320,759	2,276,730
PCA #6	Jul-07	Jun-08	(31,764,905)	224,044,366	6/08	7.01%	24,162,323	2,013,527
PCA #7	Jul-08	Jun-09	(38,358,612)	190,683,078	6/09	7.01%	20,564,437	1,713,703
PCA #8	Jul-09	Jun-10	(42,463,526)	152,761,345	6/10	7.01%	16,474,723	1,372,894
PCA #9	Jul-10	Jun-11	(44,782,261)	111,149,606	6/11	7.01%	11,987,057	998,921

Note (1) Amounts in the columns titled "Asset Amort" represent the amortization of the regulatory asset / liability only. Amounts DO NOT include amortization of the Deferred FIT balances. As the amortization of the Deferred FIT is an offset to current taxes payable, which are not part of the PCA mechanism, amortization of DFIT is likewise not included in the expense side of the PCA mechanism.

Note (2) Amounts in these columns are net of accumulated amortization AND the associated Deferred FIT liability / asset.

Note (3) 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
Derived from Original PCA Exhibit E

2005 PCORC
RY Dec05-
Nov06

Row

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-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
31	QF Spokane MSW
31a	QF Spokane MSW Winter
31b	QF Spokane MSW Summer
32	QF Sumas Winter
33	QF Sumas Summer
34	QF Sygltowicz
35	QF Tenaska (excl. Reg. Amort.)
36	QF Twin Falls
37	QF Weeks Falls
38	Skookumchuck

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