

**EXHIBIT NO. \_\_\_(JHS-3C)**  
**DOCKET NO. \_\_\_\_\_**  
**2006 PCA 4 COMPLIANCE**  
**WITNESS: JOHN H. STORY**

**BEFORE THE  
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

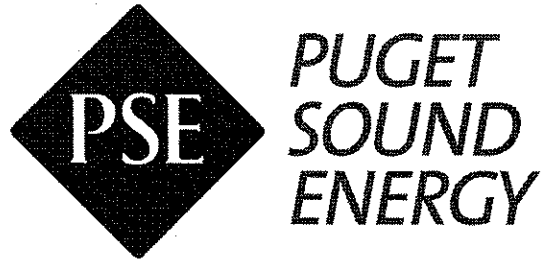
**In the Matter of the Petition of  
PUGET SOUND ENERGY, INC.  
For Approval of its 2006 Power Cost Adjustment  
Mechanism Report**

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

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

**REDACTED  
VERSION**

**August 31, 2006**



# **Power Cost Adjustment Mechanism Annual Report**

**PCA Period Four**

**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

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Puget Sound Energy  
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**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 Period One	PCA Period Two	PCA Period Three	PCA Period Four	PCA Periods
<b>Power Costs</b>					
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
<b>Allocation of Power Costs</b>					
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
<b>Customer Share Including Interest</b>					
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**  
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**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				
			\$/MWh	
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  
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**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		Test Year		Production Factor
			Test Yr	Rate Year
			\$/MWh	
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		
32				
	Power Cost in Rates with Revenue Sensitive Items (the adjusted baseline		51.445	
33				
34	sum of (a) = Fixed Rate Component	9.744	10.203	
35	(b) = Power Cost Rate	49.132	51.445	
	sum of (c) = Variable Power Rate Component	39.388	41.242	
36				
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**

<b>Exhibit A-2 Transmission Rate Base: 7/1/05 - 10/31/05</b>
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Row			Plant
			<u>AMA 9/30/2003</u>
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		<u>1,779,425</u>
54			
55	Total Transmission Rate Base		<u>\$ 120,648,501</u>



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

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)				
17		Support for Revenue Requirement - Ratebase						
18		COLSTRIP #1						
19	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						
29	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  
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**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		Depreciation and Amortization	18,786,867
115	403xxxxx		\$ 52,468,331
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
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**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**

Ext. (JHS-3C)  
 Page 12 of 26

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	\$ 5,272,121	\$ 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	\$ 10,792,846	\$ 11,760,173	\$ 11,771,488	\$ 11,784,216	\$ 11,772,906	\$ 11,776,854	\$ 11,772,906	\$ 11,776,854	\$ 135,307,524
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	\$ 18,164,560	\$ 207,186,105
10													
11	\$ 4,230,525	\$ 3,699,132	\$ 3,763,113	\$ 3,453,767	\$ 3,616,449	\$ 4,028,693	\$ 3,797,123	\$ 4,354,599	\$ 4,368,855	\$ 3,999,431	\$ 3,262,947	\$ 3,147,201	\$ 45,711,735
12	\$ 2,862,569	\$ 5,315,988	\$ 1,216,504	\$ 4,438,436	\$ 447,565	\$ 7,807,709	\$ 2,724,037	\$ 4,493,323	\$ 1,845,883	\$ 1,855,484	\$ 1,433,429	\$ 573,930	\$ 30,140,966
13	\$ (724,475)	\$ (3,591,050)	\$ (4,828,688)	\$ (6,035,235)	\$ (1,503,041)	\$ (4,307,958)	\$ (5,023,688)	\$ (819,375)	\$ (2,063,223)	\$ (1,868,637)	\$ (2,428,383)	\$ (1,815,700)	\$ (32,892,454)
14	\$ 56,694,685	\$ 65,777,648	\$ 64,011,670	\$ 75,897,466	\$ 86,888,234	\$ 105,715,174	\$ 83,944,014	\$ 75,303,985	\$ 85,900,082	\$ 53,851,044	\$ 45,137,352	\$ 94,978,628	\$ 653,639,582
15	\$ (15,282,086)	\$ (16,785,220)	\$ (8,579,054)	\$ (8,523,716)	\$ (9,905,931)	\$ (12,774,405)	\$ (4,921,679)	\$ (4,266,248)	\$ (3,469,438)	\$ (6,507,803)	\$ (6,507,803)	\$ (6,773,664)	\$ (104,389,046)
16	\$ 3,501,522	\$ 3,537,265	\$ 5,464,040	\$ 4,699,805	\$ 4,417,353	\$ 5,139,399	\$ 5,039,935	\$ 4,262,924	\$ 3,734,905	\$ 4,182,848	\$ 4,260,897	\$ 4,274,387	\$ 52,450,080
17	\$ (185,103)	\$ (23,320)	\$ (162,698)	\$ (287,819)	\$ (416,065)	\$ (137,500)	\$ (159,188)	\$ (134,468)	\$ (624,969)	\$ (1,006,549)	\$ (975,060)	\$ (270,801)	\$ (4,131,360)
18	\$ 32,864	\$ 32,864	\$ 190,627	\$ (41,633)	\$ 124,558	\$ 52,331	\$ 124,558	\$ 153,391	\$ 124,558	\$ 124,558	\$ 124,558	\$ 124,558	\$ 796,539
19	\$ 51,120,501	\$ 57,943,308	\$ 60,694,260	\$ 68,713,199	\$ 83,691,122	\$ 105,513,333	\$ 85,431,088	\$ 82,692,300	\$ 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	\$ 2,637,492	\$ 2,497,872	\$ 2,497,799	\$ 29,965,063
22	\$ 69,428,903	\$ 76,251,710	\$ 79,150,004	\$ 87,070,715	\$ 102,438,607	\$ 126,195,759	\$ 106,151,879	\$ 103,449,890	\$ 109,896,144	\$ 78,424,223	\$ 65,062,388	\$ 74,860,997	\$ 1,078,369,209
23													
24													
25													
26	\$ (251,336)	\$ (267,973)	\$ (328,045)	\$ (351,157)	\$ (315,468)	\$ (384,211)	\$ (305,730)	\$ (266,611)	\$ (279,819)	\$ (213,512)	\$ (63,730)	\$ (219,209)	\$ (3,246,790)
27	\$ (13,376)	\$ (11,396)	\$ (368)	\$ (1,746)	\$ (188,361)	\$ (197,785)	\$ (197,751)	\$ (178,157)	\$ (96,303)	\$ (127,630)	\$ (33,555)	\$ (31,597)	\$ (1,080,025)
28													
29													
30													
31													
32													
33													
34	\$ (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)
35	\$ (1,043,139)	\$ (1,057,796)	\$ (1,106,840)	\$ (1,131,330)	\$ (1,282,246)	\$ (1,360,423)	\$ (1,281,908)	\$ (1,223,194)	\$ (1,155,549)	\$ (1,119,569)	\$ (875,711)	\$ (1,029,232)	\$ (13,867,937)
36	\$ 83,385,764	\$ 75,193,914	\$ 78,043,164	\$ 85,639,385	\$ 101,154,361	\$ 124,835,336	\$ 104,689,972	\$ 102,226,665	\$ 108,739,595	\$ 77,304,654	\$ 64,186,677	\$ 73,821,785	\$ 1,084,701,272
37													
38	\$ 1,507,579,263	\$ 1,544,390,047	\$ 1,478,731,635	\$ 1,633,225,388	\$ 1,929,875,314	\$ 2,175,845,704	\$ 2,043,524,920	\$ 1,900,937,949	\$ 1,932,499,981	\$ 1,649,231,277	\$ 1,580,058,712	\$ 1,499,311,100	\$ 20,876,011,290
39													
40	\$ 74,070,384	\$ 75,879,972	\$ 72,653,043	\$ 80,243,630	\$ 101,324,973	\$ 114,228,749	\$ 107,281,961	\$ 99,805,664	\$ 101,463,777	\$ 86,530,213	\$ 82,958,420	\$ 78,718,897	\$ 302,846,029
41	\$ (5,684,621)	\$ (685,058)	\$ 5,390,121	\$ 5,695,765	\$ (170,612)	\$ 10,606,598	\$ (2,421,989)	\$ 2,421,022	\$ 7,276,818	\$ (9,285,559)	\$ (15,771,743)	\$ (4,897,132)	\$ (10,528,410)
42	\$ (5,684,621)	\$ (685,058)	\$ 5,390,121	\$ 5,695,765	\$ (170,612)	\$ 10,606,598	\$ (2,421,989)	\$ 2,421,022	\$ 7,276,818	\$ (9,285,559)	\$ (15,771,743)	\$ (4,897,132)	\$ (10,528,410)
43													
44													
45													
46													
47													
48													
49													
50	\$ (5,682,358)	\$ (684,785)	\$ 5,387,976	\$ 5,693,488	\$ (170,544)	\$ 10,602,366	\$ (2,421,025)	\$ 2,420,307	\$ 7,273,922	\$ (9,281,863)	\$ (16,764,272)	\$ (4,895,979)	\$ (10,522,768)
51	\$ (5,682,358)	\$ (684,785)	\$ 5,387,976	\$ 5,693,488	\$ (170,544)	\$ 10,602,366	\$ (2,421,025)	\$ 2,420,307	\$ 7,273,922	\$ (9,281,863)	\$ (16,764,272)	\$ (4,895,979)	\$ (10,522,768)
52	\$ 5,682,358	\$ 684,785	\$ (5,387,976)	\$ (5,693,488)	\$ 170,544	\$ (10,602,366)	\$ 2,421,025	\$ (2,420,307)	\$ (7,273,922)	\$ 9,281,863	\$ 16,764,272	\$ 4,895,979	\$ 10,522,768
53													
54	\$ (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	\$ 13,137,463	\$ (5,626,789)	\$ (10,522,768)	\$ (10,522,768)
55	\$ 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)	\$ (13,137,463)	\$ 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 3 Annual Report Compliance Filing

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

Ref	Description	Balance net of			AMA Ratebase as of			Return Amount	Pre Tax	
		Asset Amort	DFIT	AA & ADFIT	Asset Amort	DFIT Amort	A.T. %			
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					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					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					-	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	42,052,182						
81	Dec 2005 \$	(1,494,702)	274,805	40,832,283						
88					48,196	42,108,376	6/05	7.3%&7.01%	3,034,099	4,667,844
89										
90	Canwest Liability									
91	Beginning \$			(977,293)						
92	Dec 2004 \$			(6,170,942)						
93	Dec 2005 \$	632,917	(221,521)							
98					-	(1,317,326)	6/05	7.3%&7.01%	(56,453)	(86,851)

Period	Balance net of			AMA Ratebase as of			Return Amount	Pre Tax		
	From	To	Jun-05	Asset Amort	DFIT Amort	A.T. %				
PCA #3	Jul-04	Jun-05		(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.

Puget Sound Energy  
PCA Mechanism Annual Report-PCA 3  
Twelve Months Ended June 30, 2005

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

Row	CONTRACTS	Effective 5/1/04 UE- 031725	GRC RY Mar05-Feb06	Section 1 of 3			
				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	Adjust for Positive Differences
7	CONTRACTS						
8	Baker Replacement						
9	BC Hydro Point Roberts						
10	BPA WNP-3 Exchange Power						
11	BPA WNP-3 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 Kona 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						
39	TOTAL						\$ (27,497)

Puget Sound Energy  
PCA Mechanism Annual Report-PCA 3  
Twelve Months Ended June 30, 2005

Row	Effective 5/1/04 UE- 031725	GRC RY Mar05-Feb06	Rate Mar05 Total Cost + Replacement Energy Cost for Displ NUGS \$	Rate Mar05 Actual Rate \$/kwh	Rate Mar05 Rate Change	Rate Mar05 Adjust for Positive Differences
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	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. Annot.)					
36	QF Twin Falls					
37	QF Weeks Falls					
38	Skookumchuck					
39	TOTAL					

REDACTED VERSION



Puget Sound Energy  
PCA Mechanism Annual Report-PCA 3  
Twelve Months Ended June 30, 2005

		Page 16 of 26 Section 3 of 3				
Row	Effective 5/1/04 UE- 031725	GRC RY Mar05-Feb06	Rate Apr05 Fwd Total Cost + Replacement Energy Cost for Displ NUGS \$	Rate Apr05 Fwd Actual Rate \$/kwh	Rate Apr05 Fwd Rate Change	Rate Apr05 Fwd Adjust for Positive Differences
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 CEAs					
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 Acct					
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 Syglowicz					
35	QF Tenaska (excl. Reg. Amort.)					
36	QF Twin Falls					
37	QF Weeks Falls					
38	Skookumchuck					
39	TOTAL					
						\$ (35,103)
						\$ (63,414)

Grand Total To Schedule B Line 27

REDACTED VERSION

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%			
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)	\$ -	(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 Req (Column (I))	Rev Req (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	\$ 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

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.

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

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<b>Exhibit A-2 Transmission Rate Base: 11/1/05 - 6/30/06</b>
--

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

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

Row

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

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Row

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

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Row	Order	Description	Amount before Prod. Adj.
82			
83			
84			
85			
86		Support for Revenue Requirement - Expenses	
87			
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 - Strm Gen	
105	51105001	3&4 Maint of Struct - Strm Gen	
106	51204001	1&2 Maint of Boiler - Strm Gen	
107	51205001	3&4 Maint of Boiler - Strm Gen	
108	51304001	1&2 Maint of E Plant - Strm G	
109	51305001	3&4 Maint of E Plant - Strm G	
110	51404001	1&2 Maint of Misc - Strm Gen	
111	51405001	3&4 Maint of Misc - Strm 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

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**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	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	\$ 70,313,834	\$ (303,053)	\$ 70,010,781
14				
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	762,871,710	(3,287,977)	759,583,733
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	(135,623,691)	584,538	(135,039,153)
30				
31				
32	TOTAL ADJUSTMENT TO PRODUCTION RATE BASE	\$ 627,248,019	\$ (2,703,439)	\$ 624,544,580
33				
34				
35	<b>O&amp;M ON REGULATORY ASSETS</b>			
36	AMORTIZATION OF REGULATORY ASSETS	25,932,475	(111,769)	25,820,706
37				
38	TOTAL REGULATORY ASSET ADJUSTMENT TO BASELINE RATE	\$ 25,932,475	\$ (111,769)	\$ 25,820,706
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	\$ 268,669,966	\$ (1,157,968)	\$ 267,511,998

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**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	\$ 5,352,302	\$ 6,451,157	\$ 6,468,884	\$ 6,492,945	\$ 6,463,893	\$ 6,470,777	\$ 6,463,893	\$ 6,387,706	\$ 71,980,581
8	\$ 10,524,795	\$ 10,524,795	\$ 10,524,795	\$ 10,524,795	\$ 10,524,795	\$ 11,760,173	\$ 11,771,488	\$ 11,784,216	\$ 11,772,906	\$ 11,776,854	\$ 11,772,906	\$ 11,776,854	\$ 135,307,524
9	\$ 15,877,097	\$ 15,877,097	\$ 15,877,097	\$ 15,877,097	\$ 15,877,097	\$ 18,211,330	\$ 18,240,372	\$ 18,277,161	\$ 18,236,800	\$ 18,247,631	\$ 18,236,800	\$ 18,164,560	\$ 207,188,105
10	Total Variable Component Actual												
11	\$ 4,230,525	\$ 3,689,132	\$ 3,763,113	\$ 3,453,767	\$ 3,616,449	\$ 4,028,593	\$ 3,797,123	\$ 4,354,599	\$ 4,368,865	\$ 3,999,431	\$ 3,282,947	\$ 3,147,201	\$ 45,711,735
12	\$ 2,862,569	\$ 5,315,989	\$ 1,216,504	\$ (435,436)	\$ 447,565	\$ 7,807,709	\$ 2,724,037	\$ 4,493,323	\$ 1,845,863	\$ 1,856,464	\$ 1,433,428	\$ 573,930	\$ 30,140,986
13	\$ (724,479)	\$ (3,581,050)	\$ (4,826,688)	\$ (6,039,235)	\$ (1,503,041)	\$ (4,307,999)	\$ (3,023,689)	\$ (819,375)	\$ (2,062,223)	\$ (1,856,637)	\$ (2,428,363)	\$ (1,815,700)	\$ (32,982,454)
14	\$ 56,864,895	\$ 66,777,648	\$ 64,011,670	\$ 75,897,466	\$ 86,858,234	\$ 105,715,174	\$ 83,544,014	\$ 76,303,585	\$ 85,900,082	\$ 53,851,044	\$ 45,137,352	\$ 54,978,628	\$ 653,659,582
15	\$ (15,282,086)	\$ (16,785,220)	\$ (9,578,054)	\$ (8,573,716)	\$ (12,719,405)	\$ (9,905,931)	\$ (6,615,702)	\$ (4,285,248)	\$ (4,285,248)	\$ (3,468,438)	\$ (6,507,803)	\$ (6,273,764)	\$ (104,389,046)
16	\$ 1,851,522	\$ 3,537,265	\$ 5,464,040	\$ 4,689,805	\$ 4,417,363	\$ 5,134,369	\$ 5,039,935	\$ 4,262,924	\$ 3,734,969	\$ 4,182,848	\$ 4,260,697	\$ 4,224,387	\$ 52,480,080
17	\$ (185,103)	\$ (23,320)	\$ (162,698)	\$ (287,819)	\$ (184,065)	\$ (137,500)	\$ (159,188)	\$ (424,468)	\$ (624,969)	\$ (1,006,548)	\$ (975,080)	\$ (270,601)	\$ (4,131,360)
18	\$ 32,864	\$ 32,864	\$ (190,627)	\$ (41,633)	\$ 124,558	\$ 52,331	\$ 124,558	\$ 153,391	\$ 124,558	\$ 124,558	\$ 124,558	\$ 124,558	\$ 786,538
19	\$ 51,120,501	\$ 57,943,308	\$ 60,694,260	\$ 68,713,159	\$ 83,891,122	\$ 105,513,333	\$ 85,431,088	\$ 82,682,300	\$ 88,021,853	\$ 57,678,721	\$ 44,327,717	\$ 54,188,639	\$ 841,216,041
20													
21	\$ 2,431,305	\$ 2,431,305	\$ 2,431,305	\$ 2,431,305	\$ 2,431,305	\$ 2,471,096	\$ 2,480,419	\$ 2,480,419	\$ 2,637,492	\$ 2,497,872	\$ 2,497,872	\$ 2,497,799	\$ 29,985,063
22	\$ 69,428,903	\$ 76,251,710	\$ 79,150,004	\$ 87,070,715	\$ 102,436,607	\$ 126,195,789	\$ 106,151,879	\$ 103,449,880	\$ 109,896,144	\$ 78,424,223	\$ 65,062,388	\$ 74,850,997	\$ 1,078,369,209
23	SUBTOTAL before Adjustments												
24													
25													
26	\$ (251,338)	\$ (267,973)	\$ (328,045)	\$ (351,157)	\$ (315,459)	\$ (384,211)	\$ (305,730)	\$ (266,611)	\$ (279,819)	\$ (213,512)	\$ (63,730)	\$ (219,209)	\$ (3,246,790)
27	\$ (13,376)	\$ (11,396)	\$ (368)	\$ (1,746)	\$ (188,361)	\$ (197,785)	\$ (178,751)	\$ (178,751)	\$ (98,303)	\$ (127,630)	\$ (33,555)	\$ (31,597)	\$ (1,080,025)
28													
29													
30													
31													
32													
33													
34	\$ (1,043,139)	\$ (1,057,796)	\$ (1,106,840)	\$ (1,131,330)	\$ (1,282,246)	\$ (1,380,423)	\$ (1,281,908)	\$ (1,223,194)	\$ (1,156,549)	\$ (1,119,569)	\$ (875,711)	\$ (1,029,232)	\$ (13,657,937)
35	\$ 68,385,764	\$ 75,193,914	\$ 78,043,164	\$ 85,939,385	\$ 101,154,361	\$ 124,835,338	\$ 104,869,972	\$ 102,226,685	\$ 108,739,595	\$ 77,304,854	\$ 64,186,677	\$ 73,821,765	\$ 1,064,701,272
36													
37	\$ 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	\$ 1,932,499,981	\$ 1,649,231,277	\$ 1,580,058,712	\$ 1,469,311,100	\$ 20,875,011,290
38													
39	\$ 74,070,384	\$ 75,878,972	\$ 72,653,043	\$ 80,243,630	\$ 107,324,973	\$ 114,228,749	\$ 107,291,951	\$ 99,805,654	\$ 101,482,777	\$ 86,560,213	\$ 82,959,420	\$ 78,719,887	\$ 302,848,029
40													
41	\$ (5,684,621)	\$ (6,850,098)	\$ 5,390,121	\$ 5,695,755	\$ (1,701,612)	\$ 10,606,588	\$ (2,421,969)	\$ 2,421,022	\$ 7,276,818	\$ (9,285,599)	\$ (18,771,743)	\$ (4,897,132)	\$ 772,381,654
42	\$ (5,684,621)	\$ (6,850,098)	\$ 5,390,121	\$ 5,695,755	\$ (1,701,612)	\$ 10,606,588	\$ (2,421,969)	\$ 2,421,022	\$ 7,276,818	\$ (9,285,599)	\$ (18,771,743)	\$ (4,897,132)	\$ (10,522,410)
43													
44													
45													
46	\$ (5,682,358)	\$ (6,847,855)	\$ 5,387,976	\$ 5,693,488	\$ (1,705,444)	\$ 10,602,366	\$ (2,421,025)	\$ 2,420,307	\$ 7,273,922	\$ (9,281,863)	\$ (18,764,272)	\$ (4,895,979)	\$ (10,522,768)
47	\$ (5,682,358)	\$ (6,847,855)	\$ 5,387,976	\$ 5,693,488	\$ (1,705,444)	\$ 10,602,366	\$ (2,421,025)	\$ 2,420,307	\$ 7,273,922	\$ (9,281,863)	\$ (18,764,272)	\$ (4,895,979)	\$ (10,522,768)
48	\$ 5,682,358	\$ 6,847,855	\$ (5,387,976)	\$ (5,693,488)	\$ 1,705,444	\$ (10,602,366)	\$ 2,421,025	\$ (2,420,307)	\$ (7,273,922)	\$ 9,281,863	\$ 18,764,272	\$ 4,895,979	\$ 10,522,768
49													
50	\$ (5,682,358)	\$ (6,367,143)	\$ (978,168)	\$ 4,714,320	\$ 4,543,777	\$ 15,146,143	\$ 12,725,117	\$ 15,145,424	\$ 22,419,347	\$ 13,137,483	\$ (5,628,789)	\$ (10,522,768)	\$ (10,522,768)
51	\$ 5,682,358	\$ 6,367,143	\$ 978,168	\$ (4,714,320)	\$ (4,543,777)	\$ (15,146,143)	\$ (12,725,117)	\$ (15,145,424)	\$ (22,419,347)	\$ (13,137,483)	\$ 5,628,789	\$ 10,522,768	\$ 10,522,768
52													
53													
54													
55													

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)

Ref	Description	12 Months Ended December 31				PCA Period				
		Balance	AA & ADFT	Asset Amort	AMA Ratebase as of	A.T. %	Amount	Return	Pre Tax	Monthly
		(Note 1)				(Note 1)				
10										
11	Cabot Buyout									
17	Dec 2004	\$ (1,768,000)	7,007,000		GL Accts #18230171 and #28300461 and Order #4776012					
18	Dec 2005	\$ (2,163,000)	5,464,000		(1,965,600)	8,621,792	605	7.3%&#7701	621,239	955,752
19	Dec 2006	\$ (2,614,000)	3,491,000		(2,388,600)	5,410,125	606	7.01%	379,250	663,461
					(1,307,000)	3,964,333	1208	7.01%	279,302	429,695
25										
26	Tenaska				GL Accts #18230001 and #28300451 and Order #5500423					
34	Dec 2004	\$ (14,744,000)	190,445,000		(15,326,000)	198,322,583	605	7.3%&#7701	14,290,039	21,984,675
35	Dec 2005	\$ (17,908,000)	173,550,000		(19,261,600)	173,230,500	606	7.01%	12,143,458	18,682,243
36	Dec 2006	\$ (20,615,000)	154,100,000		(10,307,500)	156,961,667	1208	7.01%	11,143,213	17,143,404
46										
47	BEP				GL Accts #18230071 and #18230081 and Order #5500007					
51	Dec 2004	\$ (3,526,620)	44,082,701		(3,526,620)	44,082,701	605	7.3%&#7701	3,176,358	4,866,704
52	Dec 2005	\$ (3,526,620)	40,556,081		(3,526,620)	40,556,081	606	7.01%	2,842,981	4,373,617
53	Dec 2006	\$ (3,526,620)	37,029,461		(1,763,310)	37,911,116	1208	7.01%	2,657,569	4,058,568
68										
69	White River Relicensing (Note 2)				GL Accts #18230641, #18230661, #18000021 and 28300011					
70	Beginning	\$	20,545,452							
71	Dec 2004	\$	15,194,768							
72	Dec 2005	\$	17,134,558							
73	Dec 2006	\$	17,442,218							
81										
82	White River Plant Costs				GL Accts #18220021, #18220031, #18220041 and #18220051 and Order #40700015					
83	Beginning	\$	43,419,677							
84	Dec 2004	\$	42,052,182							
85	Dec 2005	\$	40,832,250							
86	Dec 2006	\$	39,612,053							
94										
95	Canwest Liability				GL Accts #25400021, #14900061 and 19000451 and Order #54756004					
96	Beginning	\$	(977,293)							
97	Dec 2004	\$	(6,170,942)							
98	Dec 2005	\$	632,917							
99	Dec 2006	\$	3,797,503							
105										
106	Hopkins Ridge Prepaid Transmission (Note 3)				GL Acct #18230231 and Order #6560011					
107	Beginning	\$	10,750,000							
108	Dec 2005	\$	10,750,000							
109	Dec 2006	\$	(1,094,332)							
118										
119										
120										
121										
122										
123	PCA #3	Jul 2004	Jun 2005							
124	PCA #4	Jul 2005	Jun 2006							
130										
131										
134										
135										
136										
137										
138										
139										
140										
141										
142										

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 WJUTC 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.

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

**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