

**WUTC Docket No. UE-040641
Supplemental Filing
Revised Exhibits JHS-E3 and JHS-4**

PUGET SOUND ENERGY-ELECTRIC
 RESULTS OF OPERATIONS
 FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2003
 GENERAL RATE INCREASE

LINE NO.	ACTUAL RESULTS OF OPERATIONS	CONSERVATION TRUST	ACTUAL RESULTS OF OPERATION W/ CONSERVATION TRUST	TOTAL ADJUSTMENTS	ADJUSTED RESULTS OF OPERATIONS	REVENUE REQUIREMENT DEFICIENCY	AFTER RATE INCREASE
1	OPERATING REVENUES:						
2	SALES TO CUSTOMERS	\$ 1,250,593,645	\$ 11,716,081	\$ 1,262,309,726	\$ 1,414,825,578	\$ 82,299,254	\$ 1,497,124,832
3	SALES FROM RESALE-FIRM	364,717		364,717	457,443	39,573	497,016
4	SALES TO OTHER UTILITIES	199,186,464		199,186,464	26,755,694		26,755,694
5	OTHER OPERATING REVENUES	45,262,737		45,262,737	32,971,966	115,894	33,087,860
6	TOTAL OPERATING REVENUES	1,495,407,563	11,716,081	1,507,123,644	1,475,010,680	82,454,721	1,557,465,401
7							
8	OPERATING REVENUE DEDUCTIONS:						
9							
10	POWER COSTS:						
11	FUEL	\$ 64,236,514	\$ -	\$ 64,236,514	\$ 143,737,330	\$ -	\$ 143,737,330
12	PURCHASED AND INTERCHANGED	\$ 769,384,600	\$ -	\$ 769,384,600	\$ 549,082,833	\$ -	\$ 549,082,833
13	WHEELING	39,868,912		39,868,912	43,898,001		43,898,001
14	RESIDENTIAL EXCHANGE	(172,382,420)		(172,382,420)			
15	TOTAL PRODUCTION EXPENSES	701,107,606		701,107,606	736,718,164		736,718,164
16							
17	OTHER POWER SUPPLY EXPENSES	\$ 46,852,153	\$ -	\$ 46,852,153	\$ 51,983,533	\$ -	\$ 51,983,533
18	TRANSMISSION EXPENSE	3,409,865		3,409,865	3,615,629		3,615,629
19	DISTRIBUTION EXPENSE	58,327,849		58,327,849	58,824,315		58,824,315
20	CUSTOMER ACCOUNT EXPENSES	34,589,847		34,589,847	36,285,635		36,285,635
21	CUSTOMER SERVICE EXPENSES	8,700,615		8,700,615	(5,742,551)		2,958,064
22	CONSERVATION AMORTIZATION	29,421,865		29,421,865	98,370		98,370
23	ADMIN & GENERAL EXPENSE	59,296,783	10,967,322	70,264,105	73,205,076	617,652	73,822,728
24	DEPRECIATION	124,154,290		124,154,290	126,446,549		126,446,549
25	AMORTIZATION	24,086,070		24,086,070	26,088,732		26,088,732
26	AMORTIZ OF PROPERTY GAIN/LOSS	6,000,000		6,000,000	10,655,471		10,655,471
27	OTHER OPERATING EXPENSES	(3,438,725)		(3,438,725)	(4,294,053)		(4,294,053)
28	TAXES OTHER THAN F.I.T.	131,930,399		131,930,399	105,053,433	3,175,620	108,229,053
29	FEDERAL INCOME TAXES	(5,764,878)		(5,764,878)	28,648,396	27,531,508	56,179,904
30	DEFERRED INCOME TAXES	57,844,151		57,844,151	27,432,615		27,432,615
31	TOTAL OPERATING REV. DEDUCT.	1,276,517,888	10,967,322	1,287,485,210	1,283,719,928	31,324,779	1,315,044,707
32							
33	NET OPERATING INCOME	\$ 218,889,675	\$ 748,759	\$ 219,638,434	\$ 191,290,753	\$ 51,129,942	\$ 242,420,695
34							
35	RATE BASE	\$ 2,629,512,568	\$ -	\$ 2,629,512,568	\$ 2,658,121,651	\$ -	\$ 2,658,121,651
36							
37	RATE OF RETURN	8.32%		8.35%			9.12%
38							
39	RATE BASE:						
40	UTILITY PLANT IN SERVICE	\$ -	\$ -	\$ -	\$ 2,647,835,755		\$ 2,647,835,755
41	DEFERRED DEBITS				300,185,589		300,185,589
42	DEFERRED TAXES				(317,074,779)		(317,074,779)
43	CONSERVATION TRUST				(11,569,864)		(11,569,864)
44	ALLOWANCE FOR WORKING CAPITAL				59,592,732		59,592,732
45	OTHER				(32,417,645)		(32,417,645)
46	TOTAL RATE BASE	\$ 2,629,512,568	\$ -	\$ 2,629,512,568	\$ 2,658,121,651	\$ -	\$ 2,658,121,651

Amounts that changed from the original filing have been outlined.

PUGET SOUND ENERGY-ELECTRIC
STATEMENT OF OPERATING INCOME AND ADJUSTMENTS
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2003
RESTATEING AND PRO FORMA ADJUSTMENTS

LINE NO.	ACTUAL RESULTS OF OPERATIONS WITH CONSERVATION TRUST	TEMPERATURE NORMALIZATION	GENERAL REVENUES	POWER COSTS	SALES FOR RESALE - SEC	FEDERAL INCOME TAX	TAX BENEFIT OF PRO FORMA INTEREST	DEPRECIATION/ AMORTIZATION
	2.01	2.02	2.03	2.04	2.05	2.06	2.07	
1	OPERATING REVENUES							
2	SALES TO CUSTOMERS	\$ 1,262,309,725.81	\$ 145,470,106	\$ -	\$ -	\$ -	\$ -	
3	SALES FROM RESALE-FIRM	364,717	91,532					
4	SALES TO OTHER UTILITIES	199,186,464		(172,430,770)				
5	OTHER OPERATING REVENUES	45,262,737	1,136,399	(9,385,023)	(3,325,377)			
6	TOTAL OPERATING REVENUES	\$ 1,507,123,644	\$ 146,698,037	\$ (9,385,023)	\$ (175,760,147)	\$ -	\$ -	
7	OPERATING REVENUE DEDUCTIONS:							
8	POWER COSTS:							
10	FUEL	\$ 64,236,513.87	\$ -	\$ 79,500,816	\$ -	\$ -	\$ -	
11	PURCHASED AND INTERCHANGED	769,384,600		(220,301,767)				
12	WHEELING	39,868,912		4,029,090				
13	RESIDENTIAL EXCHANGE	(172,382,420)		172,382,420				
14	TOTAL PRODUCTION EXPENSES	\$ 701,107,606	\$ -	\$ 35,610,558	\$ -	\$ -	\$ -	
15	OTHER POWER SUPPLY EXPENSES	\$ 46,852,152.75	\$ -	\$ 4,536,429	\$ -	\$ -	\$ -	
16	TRANSMISSION EXPENSE	3,409,865		(6,306)				
17	DISTRIBUTION EXPENSE	58,327,849						
18	CUSTOMER ACCTS EXPENSES	34,589,847						
19	CUSTOMER SERVICE EXPENSES	8,700,615	820,159					
20	CONSERVATION AMORTIZATION	40,389,187						
21	ADMIN & GENERAL EXPENSE	59,296,783	278,726					
22	DEPRECIATION	124,154,290						
23	AMORTIZATION	24,086,070						
24	AMORTIZ OF PROPERTY GAIN/LOSS	6,000,000						
25	OTHER OPERATING EXPENSES	(3,438,725)						
26	TAXES OTHER THAN F.I.T.	131,930,399						
27	FEDERAL INCOME TAXES	(5,764,878)						
28	DEFERRED INCOME TAXES	57,844,151						
29	TOTAL OPERATING REV. DEDUCT.	\$ 1,287,485,210	\$ 2,677,152	\$ 29,878,098	\$ (61,599,398)	\$ 4,651,347	\$ 7,835,231	\$ 149,619
30	NET OPERATING INCOME	\$ 219,638,434	\$ 4,369,788	\$ (116,819,939)	\$ (114,160,749)	\$ (4,651,347)	\$ (7,835,231)	\$ (149,619)
31	RATE BASE	\$ 2,629,512,568						\$ (74,810)
32	RATE OF RETURN	8.35%						
33	RATE BASE:							
34	UTILITY PLANT IN SERVICE	\$ 2,578,449,579	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (65,404)
35	DEFERRED DEBITS	334,433,269						(9,406)
36	DEFERRED TAXES	(322,115,231)						
37	CONSERVATION TRUST	11,569,864						
38	ALLOWANCE FOR WORKING CAPITAL	59,592,732						
39	OTHER	(32,417,645)						
40	TOTAL RATE BASE	\$ 2,629,512,568	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (74,810)

Amounts that changed from the original filing have been outlined.

PUGET SOUND ENERGY-ELECTRIC
 STATEMENT OF OPERATING INCOME AND ADJUSTMENTS
 FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2003
 RESTATING AND PRO FORMA ADJUSTMENTS

LINE NO.	CONSERVATION 2.08	BAD DEBITS 2.09	MISCELLANEOUS OPERATING EXPENSE 2.10	PROPERTY TAXES 2.11	WHITE RIVER RELICENSING 2.12	FILING FEE 2.13	D&O INSURANCE 2.14	MONTANA ENERGY TAX 2.15
1								
2								
3								
4								
5								
6			(712,770)					
7			(712,770)					
8								
9								
10								
11								
12								
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Amounts that changed from the original filing have been outlined.

PUGET SOUND ENERGY-ELECTRIC
 STATEMENT OF OPERATING INCOME AND ADJUSTMENTS
 FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2003
 RESTATEING AND PRO FORMA ADJUSTMENTS

LINE NO.	INTEREST ON CUST DEPOSITS	SFAS 133	RATE CASE EXPENSES	PROPERTY SALES	PROPERTY LIABILITY INS	PROPERTY & LIABILITY INS	PENSION PLAN	WAGE INCREASE	INVESTMENT PLAN	EMPLOYEE INSURANCE
	2.16	2.17	2.18	2.19	2.20	2.21	2.22	2.23	2.24	
1 OPERATING REVENUES										
2 SALES TO CUSTOMERS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3 SALES FROM RESALE-FIRM										
4 SALES TO OTHER UTILITIES										
5 OTHER OPERATING REVENUES										
6 TOTAL OPERATING REVENUES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
7										
8 OPERATING REVENUE DEDUCTIONS:										
9										
10 POWER COSTS:										
11 FUEL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
12 PURCHASED AND INTERCHANGED										
13 WHEELING										
14 RESIDENTIAL EXCHANGE										
15 TOTAL PRODUCTION EXPENSES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
16										
17 OTHER POWER SUPPLY EXPENSES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
18 TRANSMISSION EXPENSE							602,671			
19 DISTRIBUTION EXPENSE							83,484			
20 CUSTOMER ACCTS EXPENSES							1,354,520			
21 CUSTOMER SERVICE EXPENSES	151,631						760,055			
22 CONSERVATION AMORTIZATION							106,454			
23 ADMIN & GENERAL EXPENSE										
24 DEPRECIATION			\$716,412		1,491,762	8,548,966	1,071,291	184,450		1,338,684
25 AMORTIZATION										
26 AMORTIZ OF PROPERTY GAIN/LOSS				4,489,703						
27 OTHER OPERATING EXPENSES		(855,328)								
28 TAXES OTHER THAN F.T.I.										
29 FEDERAL INCOME TAXES			\$ (250,744)	(1,571,396)	(522,117)	(2,992,138)	278,434			(468,539)
30 DEFERRED INCOME TAXES		299,365					(1,489,918)			
31 TOTAL OPERATING REV. DEDUCT.	\$ 151,631	\$ (555,963)	\$ 465,668	\$ 2,918,307	\$ 969,645	\$ 5,556,828	\$ 2,766,991	\$ 119,893	\$ 870,145	
32										
33 NET OPERATING INCOME	\$ (151,631)	\$ 555,963	\$ (465,668)	\$ (2,918,307)	\$ (969,645)	\$ (5,556,828)	\$ (2,766,991)	\$ (119,893)	\$ (870,145)	
34										
35 RATE BASE										
36										
37 RATE OF RETURN										
38										
39 RATE BASE:										
40 UTILITY PLANT IN SERVICE										
41 DEFERRED DEBITS										
42 DEFERRED TAXES										
43 CONSERVATION TRUST										
44 ALLOWANCE FOR WORKING CAPITAL										
45 OTHER										
46 TOTAL RATE BASE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Amounts that changed from the original filing have been outlined.

FUGET SOUND ENERGY-ELECTRIC
 STATEMENT OF OPERATING INCOME AND ADJUSTMENTS
 FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2003
 RESTATEING AND PRO FORMA ADJUSTMENTS

LINE NO.	MONTANA CORP LICENSE TAX 2.25	STORM DAMAGE 2.26	FREDERICKSON PLANT 2.27 (Note 1)	LOW INCOME AMORTIZATION 2.28	REGULATORY ASSETS 2.29	PRODUCTION ADJUSTMENT 2.30	TOTAL ADJUSTMENTS	ADJUSTED RESULTS OF OPERATIONS
1								
2	\$ -	\$ -		\$ -	\$ -	\$ -	\$ 152,515,852	\$ 1,414,825,578
3							92,726	457,443
4							(172,430,770)	26,755,694
5							(12,290,771)	32,971,966
6	\$ -	\$ -		\$ -	\$ -	\$ -	(32,112,963)	\$ 1,475,010,680
7								
8								
9								
10								
11	\$ -	\$ -		\$ -	\$ -	\$ -	79,500,816	\$ 143,737,330
12							(220,301,767)	549,082,833
13							4,029,090	43,898,001
14							172,382,420	736,718,164
15	\$ -	\$ -		\$ -	\$ -	\$ -		
16								
17	\$ -	\$ -		\$ -	\$ -	(7,720)	5,131,380	\$ 51,983,533
18							205,764	3,615,629
19		128,586					496,466	58,824,315
20		(858,054)					1,695,788	36,285,635
21				(5,849,005)			(5,742,551)	2,958,064
22							(40,290,817)	98,370
23							13,908,293	73,205,076
24							2,292,259	126,446,549
25							2,002,662	26,088,732
26							4,655,471	10,655,471
27		165,768					(855,328)	(4,294,053)
28							(154,277)	105,053,433
29	1,960,897			2,047,152			34,413,274	28,648,396
30	(686,314)						(30,411,556)	27,432,615
31	1,274,583	(366,405)		(3,801,853)		(578,628)	(3,765,283)	1,283,719,928
32								
33	\$ -	\$ 366,405		3,801,853		578,628	(28,347,681)	\$ 191,290,753
34								
35								
36								
37								
38								
39								
40								
41								
42								
43								
44								
45								
46								

REDACTED

7.20%

(Note 1) CONFIDENTIAL per Protective Order in UE-040640 and CONFIDENTIAL per WAC 480-07-160

Amounts that changed from the original filing have been outlined.

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

**Revised
June 2, 2004**

LINE NO.	DESCRIPTION	ADJUSTMENT
1	SALES TO CUSTOMERS:	
2	<u>RESTATING ADJUSTMENTS:</u>	
3	ADD BACK SCHEDULE 94 RESIDENTIAL/FARM CREDIT	\$ 180,281,489
4	REMOVE MUNICIPAL TAXES	(40,996,559)
5	REMOVE SCHEDULE 120 CONSERVATION RIDER REVENUE	(26,692,602)
6	ADD BACK CENTRALIA CREDIT	7,653
7	OUT OF PERIOD CHARGES	(3,570,280)
8	LOW INCOME RATE CHANGE	(3,830,521)
9	MISCELLANEOUS RESTATING ADJUSTMENTS - SALES TO CUSTOMERS	(785,533)
10	MISCELLANEOUS RESTATING ADJUSTMENTS - SALES FROM RESALE-FIRM	(14,782)
11	SUBTOTAL RESTATING ADJUSTMENTS	104,398,865
12		
13	<u>PROFORMA ADJUSTMENTS:</u>	
14	PCORC PROFORMA INCREASE DOCKET 03-1725	44,192,861
15	PROFORMA UNBILLED REVENUE	542,641
16	LOW INCOME REVENUE	(2,269,353)
17	MISC. PROFORMA ADJSUTMENTS - SALES TO CUSTOMERS	(1,409,690)
18	MISC. PROFORMA ADJSUTMENTS - SALES FROM RESALE-FIRM	106,314
19	SUBTOTAL PROFORMA ADJUSTMENTS	41,162,773
20		
21	TOTAL INCREASE (DECREASE) SALES TO CUSTOMERS	\$ 145,561,638
22		
23	OTHER OPERATING REVENUES:	
24	MISCELLANEOUS CUSTOMER CHARGES	706,411
25	MISC. PROFORMA ADJSUTMENTS - OTHER OPERATING REVENUES	429,988
26		
27	TOTAL INCREASE (DECREASE) OTHER OPERATING REVENUE	1,136,399
28		
29	TOTAL INCREASE (DECREASE) REVENUES	146,698,037
30		
31	UNCOLLECTIBLES @	0.0055908 \$ 820,159
32	ANNUAL FILING FEE @	0.0019000 278,726
33	INCREASE (DECREASE) EXPENSES	1,098,886
34		
31	STATE UTILITY TAX @	0.0385135 \$ 5,649,855
32	MUNICIPAL TAX EXPENSED	(39,773,688)
33	INCREASE (DECREASE) TAXES OTHER	(34,123,833)
34		
35	INCREASE (DECREASE) INCOME	179,722,984
36		
37	INCREASE (DECREASE) FIT @	35% 62,903,045
38	INCREASE (DECREASE) NOI	\$ 116,819,939

Amounts that changed from the original filing have been outlined.

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

**Revised
June 2, 2004**

LINE NO.	DESCRIPTION	ACTUAL	PROFORMA	INCREASE (DECREASE)
1	PRODUCTION EXPENSES:			
2	FUEL	\$ 64,236,514	\$ 143,737,330	\$ 79,500,816
2a	TENASKA DISALLOWANCE		(9,082,902)	(9,082,902)
3	PURCHASED AND INTERCHANGED:	769,384,600	558,165,735	(211,218,865)
4	WHEELING	39,868,912	43,898,002	4,029,090
5	HYDRO AND OTHER POWER	46,852,153	51,388,582	4,536,429
6	TRANS. EXP. INCL. 500KV O&M	492,266	485,960	(6,306)
7	SALES FOR RESALE	(199,186,464)	(26,755,694)	172,430,770
8	PURCHASES/SALES OF NON-CORE GAS	(9,704,193)	(319,170)	9,385,023
9	WHEELING FOR OTHERS	(12,727,829)	(9,398,452)	3,329,377
10	SUBTOTAL	\$ 699,215,959	\$ 752,119,391	\$ 52,903,431
11				
12	LESS: SALES FOR RESALE	199,186,464	26,755,694	(172,430,770)
13	LESS: WHEELING FOR OTHERS	12,727,829	9,398,452	(3,329,377)
14	SCH. 94 - RES./FARM CREDIT	(172,382,420)	-	172,382,420
15	TOTAL	\$ 738,747,832	\$ 788,273,536	\$ 49,525,704
16	TRANS. EXP. INCL. 500KV O&M	(492,266)		
17	PURCHASES/SALES OF NON-CORE GAS	9,704,193		
18	POWER COSTS PER G/L	\$ 747,959,759		
19	INCREASE(DECREASE) INCOME			\$ (49,525,704)
20				
21	INCREASE(DECREASE) FIT @	35%		(17,333,996)
22	INCREASE(DECREASE) NOI			\$ (32,191,708)

Amounts that changed from the original filing have been outlined.

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

**Revised
June 2, 2004**

LINE NO. DESCRIPTION	
1 RATE BASE	2,658,121,651
2 RATE OF RETURN	9.12%
3	
4 OPERATING INCOME REQUIREMENT	242,420,695
5	
6 PRO FORMA OPERATING INCOME	191,290,753
7 OPERATING INCOME DEFICIENCY	51,129,942
8	
9 CONVERSION FACTOR	0.6200972
10 REVENUE REQUIREMENT DEFICIENCY	82,454,721
11 ASSIGNMENT TO LARGE FIRM WHOLESALE	115,894
12 ASSIGNMENT TO SMALL FIRM WHOLESALE	39,573
13	82,299,254

Amounts that changed from the original filing have been outlined.

Exhibit A-1 Power Cost Rate

Revised

June 2, 2004

Row	Test Year	Test Yr \$/MWh	Rate Year
3	\$ 244,044,359		
4	120,648,501		
5	543,197,375		
6	\$ 907,890,235		
7	7.78%		
8			
9			
10	\$ 29,210,233	\$ 1.513 (c)	
11	14,440,697	\$ 0.748 (a)	14,440,697
12	65,016,547	\$ 3.367 (a)	65,860,217
13	38,721,615	\$ 2.005 (c)	
14	542,982,370	\$ 28.121 (c)	
15	12,529,903	\$ 0.649 (a)	12,692,494
16	105,015,715	\$ 5.439 (c)	
17	43,898,002	\$ 2.273 (c)	
18	(3,724,830)	\$ (0.193) (c)	
19	51,388,582	\$ 2.661 (a)	52,055,412
20	(26,755,694)	\$ (1.386) (c)	
21	(319,170)	\$ (0.017) (c)	
22	485,960	\$ 0.025 (a)	492,266
23	43,938,150	\$ 2.276 (a)	44,508,301
24	5,107,346	\$ 0.265 (a)	5,107,346
25	9,435,250	\$ 0.489 (a)	9,557,684
26	4,748,192	\$ 0.246 (a)	4,748,192
27	\$ 936,118,867	\$ 48.481 (b)	209,462,609
28	0.9539957		
29	\$ 981,261,097		
30	19,308,876	<-- includes Firm Wholesale	
31	<u>Before Rev. Sensitive Items</u>	<u>After Rev. Sensitive Items</u>	
32	Power Cost in Rates with Revenue Sensitive Items (the adjusted baseline)	50.819	
33	sum of (a) = Fixed Rate Component	10.726	11.243
34	(b) = Power Cost Rate	48.481	50.819
35	sum of (c) = Variable Power Rate	37.755	39.576
36			
37			
38	* Regulatory Assets are Tenaska, Encogen Fuel Buyout, BEP and White River Relicensing Costs		

Amounts that changed from the original filing have been outlined.