



PUGET
SOUND
ENERGY

**Power Cost Adjustment Mechanism
Annual Report**

PCA Period Three

**Twelve Months Ended
June 30, 2005**

Puget Sound Energy
Power Cost Adjustment Mechanism
2005 Annual Report – PCA Period Three
Twelve Months Ended June 30, 2005

Index

3. Power Cost Summary
4. Exhibit A-1 – Power Cost Rate, Updated Actual (7/1/04-6/30/05)

5. PCA Period Three: 7/1/04 – 3/3/05 (prior to rates set in UE-040641 GRC)

6. Exhibit A-1 – Power Cost Rate, Settlement Stipulation
7. Exhibit A-2 – Transmission Costs
8. Exhibit A-3 – Colstrip Fixed Costs-Section 1
9. Exhibit A-3 – Colstrip Fixed Costs-Section 2
10. Exhibit A-4 – Production Adjustment UE-031725
11. Exhibit A-5 – Power Cost
12. Schedule B – PCA Mechanism Calculation (7/1/04-6/30/05)
13. Exhibit D – Regulatory Assets
14. Exhibit E – Contract Adjustment (7/1/04-3/3/05)

15. PCA Period Two: 3/4/05 – 6/30/05 (date of rates in effect per UE-040641 GRC to the end of PCA Period 3)
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16. Exhibit A-1 – Power Cost Rate
17. Exhibit A-2 – Transmission Costs
18. Exhibit A-3 – Colstrip Fixed Costs-Section 1
19. Exhibit A-3 – Colstrip Fixed Costs-Section 2
20. Exhibit A-4 – Production Adjustment UE-040641
21. Exhibit A-5 – Power Cost
22. Schedule B – PCA Mechanism Calculation (7/1/04-6/30/05)
23. Exhibit D – Regulatory Assets
24. Exhibit E – Contract Adjustment-Section 1
25. Exhibit E – Contract Adjustment-Section 2
26. Exhibit E – Contract Adjustment-Section 3

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

POWER COST ADJUSTMENT SUMMARY				
	12 mo end 6.30.03	12 mo end 6.30.04	12 mo end 6.30.05	Cumulative PCA Periods
	PCA Period One	PCA Period Two	PCA Period Three	
Power Costs				
Actual	\$ 845,405,696	\$ 903,001,659	\$ 959,718,871	\$ 2,708,126,226
Baseline	\$ 843,126,410	\$ 872,785,985	\$ 949,412,459	\$ 2,665,324,854
Difference	\$ 2,279,286	\$ 30,215,674	\$ 10,306,412	\$ 42,801,372
Wholesale Customers	\$ (10,220)	\$ (12,220)	\$ (4,225)	\$ (26,665)
Total Cost Over Baseline	\$ 2,269,066	\$ 30,203,454	\$ 10,302,187	\$ 42,774,707
Allocation of Power Costs				
Company	\$ 2,269,066	\$ 25,101,727	\$ 10,302,187	\$ 37,672,980
Customers	\$ -	\$ 5,101,727	\$ -	\$ 5,101,727
Total Cost Allocated	\$ 2,269,066	\$ 30,203,454	\$ 10,302,187	\$ 42,774,707
Customer Share Including Interest				
Customer Share	\$ -	\$ 5,101,727	\$ -	\$ 5,101,727
Interest	\$ -	\$ 61,868	\$ 345,776	\$ 407,644
Total Customer Share Including Interest	\$ -	\$ 5,163,595	\$ 345,776	\$ 5,509,371

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

Exhibit A-1 Power Cost Rate: Updated Actual 7/1/04-6/30/05

Row				
3	Regulatory Assets and Liabilities (Variable) (Note 1)	\$	307,685,358	
4	Transmission Rate Base (Fixed)		Note 1	
5	Production Rate Base (Fixed)		Note 1	
6			Note 1	
7	Net of tax rate of return		7.3% & 7.1%	
8				
9				
				\$/MWh
10	Regulatory Asset/Liab Recovery	\$	32,966,029	\$ 1.638 (c)
11	Fixed Asset Recovery-Other	\$	13,548,429	\$ 0.673 (a)
12	Fixed Asset Recovery-Production Factor	\$	55,539,687	\$ 2.759 (a)
13	501-Steam Fuel	\$	41,338,218	\$ 2.054 (c)
14	555-Purchased power	\$	689,248,638	\$ 34.244 (c)
14a	Disallowance for Tenaska & March Point 2	\$	(13,933,885)	\$ (0.692) (c)
15	557-Other Power Exp	\$	12,637,877	\$ 0.628 (a)
16	547-Fuel	\$	35,969,784	\$ 1.787 (c)
17	565-Wheeling	\$	42,045,845	\$ 2.089 (c)
18	Variable Transmission Income	\$	(4,775,920)	\$ (0.237) (c)
19	Hydro and Other Pwr.	\$	51,747,222	\$ 2.571 (a)
20	447-Sales to Others	\$	(67,467,959)	\$ (3.352) (c)
21	456-Subaccounts 12, 18,35,36,80,81,87,130,131	\$	(12,614,029)	\$ (0.627) (c)
22	Transmission Exp - 500KV	\$	491,069	\$ 0.024 (a)
23	Depreciation-Production	\$	41,019,365	\$ 2.038 (a)
23a	Amortization- Reg Assets/Liab	\$	23,312,822	\$ 1.158 (c)
23b	Deferred FIT- Reg Assets/Liab	\$	(548,322)	\$ (0.027) (c)
24	Depreciation-Transmission	\$	5,106,809	\$ 0.254 (a)
25	Property Taxes-Production	\$	9,436,941	\$ 0.469 (a)
26	Property Taxes-Transmission	\$	4,650,251	\$ 0.231 (a)
27	Subtotal & Baseline Rate	\$	959,718,871	\$ 47.682 (b)
28	Revenue Sensitive Items		0.9550366	
29		\$	1,004,902,713	
30	Year Load (MWH's)		20,127,698	<-- includes Firm Wholesale
31			Before Rev. S. Items	After Rev. Sensitive Items
32	Power Cost in Rates with Revenue Sensitive Items (the adjusted baseline)			49.926
33	sum of (a) = Fixed Rate Component		9.647	10.101
34	(b) = Power Cost Rate		47.682	49.926
35	sum of (c) = Variable Power Rate Component		38.034	39.825
36			-	-
37				
38	(Note 1) Regulatory Assets and Liabilities are detailed on Exhibit D (JHS-3 page 23)			
39				
40	(Note 2) During the PCA period, authorized changes were made to the baseline rate as well as to the net of tax			
41	rate of return. As a result, there is no obvious relationship between the ratebase amounts and the return			
42	on ratebase shown on Lines 11 and 12. Therefore, the ratebase amounts on Lines 4 and 5 have not been			
43	presented.			

Puget Sound Energy, Inc.
Power Cost Adjustment Mechanism Annual Report
PCA Period Three
Twelve Months Ended June 30, 2005

Exhibits

From 07/01/04 To 03/03/05
Docket No. UE-031725 Power Cost Only Rate Case

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

Exhibit A-1 Power Cost Rate: 7/1/04-03/03/05

Row	Test Year					
				Adjustment	Baseline	
				to Power	Rate	Rate Year(1)
			Test Yr	Cost Rate		
			\$/MWh			
3	Regulatory Assets ⁽²⁾ (Variable)	\$ 300,363,327				
4	Transmission Rate Base (Fixed)	115,844,514				
5	Production Rate Base (Fixed)	417,299,736				
5a	New Resource Rate Base (Fixed)	78,245,591				
6		\$ 911,753,168				
7	Net of tax rate of return	7.30%				
8						
9						
10	Regulatory Asset ⁽²⁾ Recovery (on Row 3)	\$ 33,733,112	\$ 1.750		\$ 1.750	(c)
11	Fixed Asset Recovery Other (on Row 4)	13,010,230	\$ 0.675	\$ 0.041	\$ 0.716	(a)
12	Fixed Asset Recovery on New Resources (on row 5)	46,865,970	\$ 2.432	\$ 0.079	\$ 2.511	(a)
12a	Fixed Asset Recovery-Prod Factored (on Row 5a)	8,787,582	\$ 0.456		\$ 0.456	(a)
13	501-Steam Fuel	36,168,277	\$ 1.877		\$ 1.877	(c)
14	555-Purchased power (from PSE Rebuttal Filing)	537,755,568	\$ 27.904		\$ 27.904	(c)
14a	555 - Commission Adjustment of Tenaska	(9,921,067)	\$ (0.515)		\$ (0.515)	(c)
15	557-Other Power Exp	12,557,182	\$ 0.652		\$ 0.652	(a)
16	547-Fuel	83,984,075	\$ 4.358		\$ 4.358	(c)
17	565-Wheeling	41,908,728	\$ 2.175		\$ 2.175	(c)
18	Variable Transmission Income	(3,739,245)	\$ (0.194)		\$ (0.194)	(c)
19	Hydro and Other Pwr.	50,816,136	\$ 2.637		\$ 2.637	(a)
20	447-Sales to Others	(23,172,693)	\$ (1.202)		\$ (1.202)	(c)
21	456-Subaccounts 00012 & 00018 and 00035 & 00036	(213,070)	\$ (0.011)		\$ (0.011)	(c)
22	Transmission Exp - 500KV	486,083	\$ 0.025		\$ 0.025	(a)
23	Depreciation-Production (FERC 403)	40,443,330	\$ 2.099	\$ 0.009	\$ 2.107	(a)
23a	Amortization-White River	1,176,499	\$ 0.061	\$ 0.010	\$ 0.071	(c)
25	Depreciation-Transmission	4,858,427	\$ 0.252	\$ 0.013	\$ 0.265	(a)
26	Property Taxes-Production	9,294,422	\$ 0.482		\$ 0.482	(a)
27	Property Taxes-Transmission	4,603,036	\$ 0.239		\$ 0.239	(a)
28	Subtotal & Baseline Rate	\$ 889,402,582	\$ 46.151	\$ 0.152	\$ 46.303	(b)
29	Revenue Sensitive Items	0.9554723				
30		\$ 930,851,247				
31	Test Year Load (MWH's)	19,271,717				<-- includes Firm Wholesale
31a						
32						
32a	Power Cost in Rates with Revenue Sensitive		<u>Before Rev. Sensitive Items</u>	<u>After Rev. Sensitive Items</u>		
33	Items (the adjusted baseline)			\$ 48.460		
34	sum of (a) = Fixed Rate Component	\$ 10.091		\$ 10.561		
35	(b) = Power Cost Rate	\$ 46.303		\$ 48.460		
36	sum of (c) = Variable Power Rate Component	\$ 36.212		\$ 37.899		

(1) - Rate Year includes test year amounts plus the impacts of any adjustments to power cost rate. The result is then grossed up for the production factor of 0.99101 where appropriate.

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

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

Exhibit A-2 Transmission Rate Base 7/1/04-3/3/05

Row		Plant
8	Colstrip Related Transmission Assets	<u>AMA 6/30/2003</u>
9		
10	TRANS - COLSTRIP 1 & 2	
11	E351 Easements	685,927
12	E353 Station Equipment	1,231,131
13	E354 Towers & Fixtures	14,474,343
14	E355 Poles & Fixtures	49,007
15	E356 OH Conductors & devices	13,158,153
16	E359 Roads & Trails	113,968
17	COLSTRIP 1&2 TRANSMISSION	<u>29,712,529</u>
18	TRANS - COLSTRIP 3 & 4	
19	E351 Easements	1,071,124
20	E352 Structures & Improvements	478,326
21	E353 Station Equipment	17,943,456
22	E354 Towers & Fixtures	20,422,516
23	E355 Poles & Fixtures	88,692
24	E356 OH Conductors & Devices	19,991,226
25	E359 Roads & Trails	341,015
26	COLSTRIP 3&4 TRANSMISSION	<u>60,336,355</u>
27	TRANS - 3RD NW-SW INTERTIE	
28	E352 Structures & Improvements	1,276,264
29	E353 Station Equipment	31,157,075
30	E354 Towers & Fixtures	22,781,417
31	E355 Poles & Fixtures	204,200
32	E356 OH Conductors & devices	23,458,462
33	E359 Roads & Trails	59,215
34	TOTAL 3RD NW-SW INTERTIE	<u>78,936,633</u>
35	TRANS - NORTHERN INTERTIE	
36	E351 Easements - Whatcom	
37	E354 Towers & Fixtures-Whatcom	5,744,097
38	E355 Poles & Fixtures-Whatcom	11,219
39	E356 OH Conductors & Devices-Whatc	7,460,099
40	E355 Poles & Fixtures-Skagit	3,398,685
41	E356 OH Conductors & Devices-Skagit	5,142,699
42	TOTAL NORTHERN INTERTIE	<u>21,756,799</u>
43		
44	Total Transmission	190,742,316
45	Less	
46	Accumulated Depreciation (AMA)	60,081,736
47	Deferred Taxes (EOP)	14,816,066
48		<u>74,897,802</u>
49	Transmission Ratebase	<u>\$ 115,844,514</u>

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

Exhibit A-3 Colstrip Fixed Costs: 7/1/04-3/3/05

Row

	Revenue Requirement for Colstrip		Section 1 of 2
5	Plant	665,037,750	
6	Accumulated Depreciation	(350,886,264)	
7	Deferred Taxes at 6/30/2003	(69,544,352)	
8	Net Plant	<u>244,607,134</u>	
9	Rate of Return (net of Tax)	7.30%	
10	Revenue Requirement after tax	17,856,321	
11	Plant Revenue Requirement	27,471,263	(Adjusted for Federal Tax)
12	Expenses	<u>51,508,900</u>	
13	Total Revenue Requirement	78,980,163	(before revenue sensitive items)

Support for Revenue Requirement - Ratebase

FERC	DESCRIPTION	30-Jun-02	30-Jun-03	13 MONTH AMA	ANNUITY RATE	ANNUALIZED DEPRECIATION	ACUMM. DEPR. 06/30/2003
	COLSTRIP #1						
E311	Structures & Improvements	7,097,390	7,157,382	7,135,175	3.03%	216,196	(4,073,980)
E312	Boiler Plant Equipment	52,251,546	51,604,239	53,435,969	3.12%	1,667,202	(33,602,708)
E314	Turbo Generating Units	12,421,401	12,205,320	12,358,594	3.29%	406,598	(8,483,528)
E315	Accessory Electric Equipment	7,043,604	7,093,003	7,068,427	2.71%	191,554	(4,794,950)
E316	Misc. Power Plant Equipment	426,565	428,726	427,582	3.87%	16,547	(246,688)
	TOTAL	79,240,506	78,488,671	80,425,747	3.11%	2,498,097	(51,201,855)
	COLSTRIP #2						
E311	Structures & Improvements	5,573,640	5,633,364	5,611,347	3.06%	171,707	(3,653,230)
E312	Boiler Plant Equipment	40,460,296	44,542,327	42,353,547	3.05%	1,291,783	(28,806,599)
E314	Turbo Generating Units	12,498,428	13,438,753	12,959,997	3.26%	422,496	(8,235,807)
E315	Accessory Electric Equipment	4,592,474	5,261,104	4,900,558	2.69%	131,825	(3,043,974)
E316	Misc. Power Plant Equipment	427,379	453,511	439,382	3.61%	15,862	(247,499)
	TOTAL	63,552,217	69,329,060	66,264,831	3.07%	2,033,673	(43,987,109)
	COLSTRIP 1 & 2 COMMON						
E311	Structures & Improvements	31,949,738	31,473,984	31,895,590	3.16%	1,007,901	(20,395,759)
E312	Boiler Plant Equipment	8,221,831	8,246,037	8,232,926	3.18%	261,807	(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	2,420,179	2,420,179	3.07%	74,299	(1,470,405)
E316	Misc. Power Plant Equipment	6,492,144	6,492,144	6,492,144	3.82%	248,000	(3,559,040)
	TOTAL	53,002,750	52,551,201	52,959,697	3.25%	1,721,721	(33,814,629)
	COLSTRIP 3						
E311	Structures & Improvements	28,882,948	28,905,637	28,893,929	2.45%	707,901	(15,568,775)
E312	Boiler Plant Equipment	118,273,982	119,674,187	118,840,689	2.68%	3,184,930	(63,482,913)
E314	Turbo Generating Units	33,180,681	33,121,620	33,167,019	2.97%	985,060	(15,966,099)
E315	Accessory Electric Equipment	6,401,615	6,401,615	6,401,615	2.47%	158,120	(3,183,989)
E316	Misc. Power Plant Equipment	456,965	456,965	456,965	2.86%	13,069	(224,109)
	TOTAL	187,196,191	188,560,024	187,760,217	2.69%	5,049,080	(98,425,884)
	COLSTRIP 4						
E311	Structures & Improvements	26,483,797	26,509,978	26,495,797	2.54%	672,993	(12,902,625)
E312	Boiler Plant Equipment	100,508,440	102,000,003	101,198,037	2.75%	2,782,946	(49,488,910)
E314	Turbo Generating Units	28,602,598	28,969,515	28,782,740	2.94%	846,213	(12,387,935)
E315	Accessory Electric Equipment	5,596,707	5,596,057	5,596,517	2.52%	141,032	(2,441,024)
E316	Misc. Power Plant Equipment	654,568	654,568	654,568	2.79%	18,262	(305,486)
	TOTAL	161,846,110	163,730,121	162,727,659	2.74%	4,461,446	(77,525,980)
	COLSTRIP 3 & 4 COMMON						
E311	Structures & Improvements	71,867,029	70,746,760	71,734,897	2.33%	1,671,423	(37,638,359)
E312	Boiler Plant Equipment	20,298,808	20,321,829	20,309,359	2.48%	503,672	(11,249,994)
E314	Turbo Generating Units	274,553	277,420	275,867	2.62%	7,228	(139,868)
E315	Accessory Electric Equipment	7,748,971	7,748,971	7,748,971	2.31%	179,001	(3,776,971)
E316	Misc. Power Plant Equipment	4,722,721	4,739,216	4,730,281	2.79%	131,975	(2,132,955)
	TOTAL	104,912,083	103,834,196	104,799,375	2.38%	2,493,299	(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)
	COLSTRIP COMMON FERC ADJ.	7,607,644		7,607,644			
	COLSTRIP DEF DEPR FERC ADJ.	2,241,046		2,241,046			
	Total Plant and Acc. Deprec.	659,850,080		665,037,750		18,263,504	(360,029,352)

AMA Adj. 9,143,088
 AMA Acum Depr (350,886,264)

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

Exhibit A-3 Colstrip Fixed Costs: 7/1/04-3/3/05

Row

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Support for Revenue Requirement - Expenses

Amount before
Prod. Adj.

Order	Description	Amount before Prod. Adj.
50004011	1&2 Sup & Eng - Steam Ope	REDACTED
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	
	Property Taxes-Montana	8,348,335
	Electric Energy Tax	1,717,910
403xxxxx	Depreciation	18,263,504
		<u>\$ 51,508,900</u>

REDACTED VERSION

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

Exhibit A-4 Production Adjustment: 7/1/04-3/3/05

LINE NO.	DESCRIPTION	PROFORMA AND RESTATED	PRODUCTION 0.899%	NET AMOUNT
1	PRODUCTION O&M INCLUDED IN 557:			
2	WORKER'S COMPENSATION	\$ 294,503	\$ (2,647)	\$ 291,856
3	PROPERTY INSURANCE	2,308,274	(20,751)	2,287,523
4	ELECTRIC ENERGY TAX	1,717,910	(15,444)	1,702,467
5	TOTAL PRODUCTION O&M	4,320,687	(38,842)	4,281,845
6				
7	INCREASE TO O&M EXPENSE ASSOC W/ NEW RESOURCE	4,690,637	(42,168)	4,648,470
8				
9	DEPRECIATION AND AMORTIZATION ON PRODUCTION			
10	PROPERTY	41,997,374	(377,545)	41,619,829
11				
12	PROPERTY TAXES ON PRODUCTION PROPERTY	9,378,735	(84,312)	9,294,422
13				
14	TOTAL PRODUCTION ADJUSTMENT TO BASELINE RATE	\$ 60,387,433	\$ (542,866)	\$ 59,844,567
15				
16	PRODUCTION RATE BASE:			
17	PRODUCTION PROPERTY	\$ 1,179,246,771	\$ (10,601,098)	\$ 1,168,645,674
18	COLSTRIP COMMON FERC ADJUSTMENT	7,607,644	(68,391)	7,539,253
19	COLSTRIP DEFERRED DEPRECIATION FERC ADJ.	2,241,046	(20,146)	2,220,900
20	ENCOGEN ACQUISITION ADJUSTMENT	52,615,858	(473,002)	52,142,856
21	LESS PRODUCTION PROPERTY ACCUM DEPR.	(584,218,558)	5,251,961	(578,966,597)
22	LESS PRODUCTION PROPERTY ACCUM AMORT.	(4,377,927)	39,356	(4,338,570)
23	NET PRODUCTION PROPERTY	653,114,835	(5,871,319)	647,243,516
24				
25	DEDUCT:			
26	LIBR. DEPREC. PRE 1981 (EOP)	(946,743)	8,511	(938,232)
27	LIBR. DEPREC. POST 1980 (EOP)	(83,233,990)	748,250	(82,485,740)
28	OTHER DEF. TAXES (EOP)	(26,027,621)	233,981	(25,793,640)
29	ADJUSTMENT TO RATE BASE BEFORE CWIP	(110,208,354)	990,742	(109,217,612)
30	SNOQUALMIE RELICENSING CWIP	-	-	-
31				
32	TOTAL ADJUSTMENT TO PRODUCTION RATE BASE	\$ 542,906,481	\$ (4,880,577)	\$ 538,025,904
33				
34	REGULATORY ASSETS RATE BASE:			
35	BPA POWER EXCHANGE INVESTMENT	\$ 44,964,313	\$ (404,217)	\$ 44,560,096
36	TENASKA REGULATORY ASSET	205,562,854	(1,847,952)	203,714,902
37	CABOT OIL REGULATORY ASSET	9,694,906	(87,154)	9,607,752
38				
39	TOTAL ADJUSTMENT TO REGULATORY ASSETS RATE BASE	\$ 260,222,073	\$ (2,339,323)	\$ 257,882,750

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

Exhibit A-5 Power Costs: 7/1/04-3/3/05

LINE NO. DESCRIPTION	PROFORMA RYE MAR '05	TEST YEAR	ADJUSTMENT
1 PRODUCTION EXPENSES:			
2 FUEL:			
3 501-STEAM FUEL	\$ 36,168,277	\$ 32,196,077	\$ 3,972,200
4 547-FUEL	52,773,902	27,644,080	25,129,822
5 PURCHASED AND INTERCHANGED:			
6 555-PURCHASED POWER	537,755,568	724,616,401	(186,860,833)
7 557 - OTHER POWER EXPENSE	8,275,336	8,422,707	(147,371)
8 WHEELING	39,837,334	39,871,180	(33,846)
9 HYDRO AND OTHER POWER	46,167,666	47,990,567	(1,822,902)
10 TRANS. EXP. INCL. 500KV O&M	486,083	490,492	(4,409)
11 SALES FOR RESALE	(14,686,789)	(166,885,152)	152,198,362
12 PURCHASES/SALES OF NON-CORE GAS	(213,070)	(3,815,282)	3,602,212
13 WHEELING FOR OTHERS - COLSTRIP, 3RD AC & NI	(3,739,245)	(6,992,847)	3,253,602
14 INCREASE (DECREASE) EXPENSE	702,825,062	703,538,224	(713,162)
15			
16 LESS: SALES FOR RESALE	14,686,789	166,885,152	(152,198,362)
17 LESS: WHEELING FOR OTHERS	3,739,245	6,992,847	(3,253,602)
18 SCH. 94 - RES./FARM CREDIT	-	-	-
19 INCREASE(DECREASE) EXPENSE	721,251,096	\$ 877,416,223	\$ (156,165,127)
20 TRANS. EXP. INCL. 500KV O&M	(486,083)		
21 PURCHASES/SALES OF NON-CORE GAS	213,070		
22 POWER COSTS PER G/L	\$ 720,978,083		

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

Exhibit D: Regulatory Assets: 7/1/04-3/3/05

Row					PCA (Jul02-Jun03)		RORC (Apr04 - Mar05)		Return	35%	Monthly
					Amortization	Ratebase (AMA)	Amortization	Ratebase (AMA)	7.30%	Pre Tax	Return Pre-tax
			Interest	Amort	Balance					Return	Jul 1st - Jun 30th
5	Cabot Buyout	G/L Acct #18230171									
6											
7	2000 \$	12,588,000	709,000	(312,000)	12,985,000						
8	2001 \$ -		720,000	(741,000)	12,964,000						
9	2002 \$ -		548,000	(1,070,000)	12,442,000	(1,070,000)	12,376,708		\$ 903,500	\$ 1,390,000	\$ 115,833
10	2003 \$ -		-	(1,409,000)	11,033,000	(1,588,500)	10,988,333		\$ 802,148	\$ 1,234,074	
11	2004 \$ -		-	(1,768,000)	9,265,000	(1,965,500)	9,215,833	(1,866,750)	\$ 672,756	\$ 1,035,009	
12	2005 \$ -		-	(2,163,000)	7,102,000	(2,388,500)	7,045,500	9,694,906	\$ 514,322	\$ 791,264	
13	2006 \$ -		-	(2,614,000)	4,488,000	(2,846,000)	4,430,833		\$ 323,451	\$ 497,617	
14	2007 \$ -		-	(3,078,000)	1,410,000	(2,244,000)	1,622,667		\$ 118,455	\$ 182,238	
15	2008 \$ -		-	(1,410,000)	-						
16											
17	Tenaska	G/L Acct #18230001									
18	1998 \$	215,000,000	8,754,000	(1,952,000)	221,802,000						
19	1999 \$ -		8,795,000	(3,863,000)	226,734,000						
20	2000 \$ -		8,849,000	(5,463,000)	230,120,000						
21	2001 \$ -		8,838,000	(7,382,000)	231,576,000						
22	2002 \$ -		6,562,000	(9,494,000)	228,644,000	(9,494,000)	228,066,750		\$ 16,648,873	\$ 25,613,650	\$ 2,134,471
23	2003 \$ -		-	(11,924,000)	216,720,000	(13,334,000)	216,367,250		\$ 15,794,809	\$ 24,299,707	
24	2004 \$ -		-	(14,744,000)	201,976,000	(16,326,000)	201,580,333	(15,535,000)	\$ 14,715,364	\$ 22,639,022	
25	2005 \$ -		-	(17,908,000)	184,068,000	(19,261,500)	183,729,583		\$ 13,412,260	\$ 20,634,246	
26	2006 \$ -		-	(20,615,000)	163,453,000	(22,479,000)	162,986,042		\$ 11,897,981	\$ 18,304,586	
27	2007 \$ -		-	(24,343,000)	139,110,000	(26,307,500)	138,616,875		\$ 10,119,032	\$ 15,567,741	
28	2008 \$ -		-	(28,272,000)	110,838,000	(14,136,000)	110,287,583				
29		G/L Acct #182300011									
30											
31											
32											
33	BEP	G/L Acct #18230071 and #18230081									
34	2001				54,662,561						
35	2002			(3,526,620)	51,135,941	(3,526,620)	51,135,941		\$ 3,732,924	\$ 5,742,960	\$ 478,580
36	2003			(3,526,620)	47,609,321	(3,526,620)	47,609,321		\$ 3,475,480	\$ 5,346,893	
37	2004			(3,526,620)	44,082,701	(3,526,620)	44,082,701	(3,526,620)	\$ 3,218,037	\$ 4,950,826	
38	2005			(3,526,620)	40,556,081	(3,526,620)	40,556,081		\$ 2,960,594	\$ 4,554,760	
39	2006			(3,526,620)	37,029,461	(3,526,620)	37,029,461		\$ 2,703,151	\$ 4,158,693	
40	2007			(3,526,620)	33,502,841	(3,526,620)	33,502,841		\$ 2,445,707	\$ 3,762,627	
41	2008			(3,526,620)	29,976,221	(3,526,620)	29,976,221		\$ 2,188,264	\$ 3,366,560	
42											
43	White River Plant	G/L Acct #s 18220011, 21, 31, 41, 51									
44	2001				43,419,577				\$ -	\$ -	\$ -
45	2002										
46	2003										
47	2004			(1,252,723)	42,166,854	(1,252,723)	42,430,174	(1,252,723)	\$ 721,313	\$ 1,109,712	\$ 92,476
48	2005			(1,252,723)	40,914,131	(1,252,723)	42,169,023		\$ 3,078,339	\$ 4,735,906	\$ 394,659
49	2006			(1,252,723)	39,661,408	(1,252,723)	40,933,378		\$ 2,988,137	\$ 4,597,133	\$ 383,094
50	2007			(1,252,723)	38,408,684	(1,252,723)	39,712,492		\$ 2,899,012	\$ 4,460,018	\$ 371,668
51	2008			(1,252,723)	37,155,961	(1,252,723)	38,506,026		\$ 2,810,940	\$ 4,324,523	\$ 360,377

Note: See PCORC Adjustment 9 for the baseline amortization expense related to White River (the amount shown above includes deferred taxes).

(22,181,093)	302,702,650
	300,363,327

From	To	PCA#	Amortization	AMA Ratebase	Return	Return Pre-tax	Monthly Return Pre-tax
Jul-02	Jun-03	PCA#1	\$ (14,090,620)	\$ 291,579,399	\$ 21,285,296	\$ 32,746,609	\$ 2,728,884
Jul-03	Jun-04	PCA#2	\$ (19,701,843)	\$ 317,395,079	\$ 20,793,751	\$ 31,990,386	\$ 2,665,866
Jul-04	Jun-05	PCA#3	\$ (23,070,843)	\$ 297,047,891	\$ 21,684,496	\$ 33,360,763	\$ 2,780,064
Jul-05	Jun-06	PCA#4	\$ (26,429,343)	\$ 272,264,542	\$ 19,875,312	\$ 30,577,402	\$ 2,548,117
Jul-06	Jun-07	PCA#5	\$ (30,104,343)	\$ 244,158,828	\$ 17,823,594	\$ 27,420,915	\$ 2,285,076
Jul-07	Jun-08	PCA#6	\$ (33,330,843)	\$ 212,248,409	\$ 15,494,134	\$ 23,837,129	\$ 1,986,427

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

Exhibit E - Contract Adjustments (UE-031725): 7/1/04-3/3/05

Row	Note	Limit - Rate or Total Cost per UE-011570	RY Apr04-Mar05	Increase / (Decrease) from UE to RY Apr04- Mar05
7	CONTRACTS			
8	Baker Replacement	Exchange		
9	BC Hydro Point Roberts	Rate Limit		
10	BPA WNP-3 Exchange Power	Rate Limit		
11	BPA WNP3 Return	Actual Cost		
12	BPA Snohomish Conservation	Rate Limit		
13	CSPE	N/A		
14	Mid-Columbia	Actual Cost		
15	Canadian Entitlement and CEA-EA	N/A		
16	MPC Firm Contract-Demand	Total Cost		
17	MPC Firm Contract-Energy	Actual Cost		
18	PPL Contract 15 yr	Actual Cost		
19	Supplemental Entitlement Cap	Actual Cost		
20a	North Wasco Winter	Rate Limit		
20b	North Wasco Summer	Rate Limit		
		Actual Cost		
21	WWP Contract 15 yr	through 12/31/02		
22	PG&E Exchange Storage Acctg.	Exchange		
23	QF Shipp Hutch Creek	Actual Cost		
24	QF Koma Kulshan Hydro	Rate Limit		
25	QF March Point Cogen 1 Winter	NUG Rate Limit		
26	QF March Point Cogen 1 Summer	NUG Rate Limit		
27	QF March Point Cogen 2 Winter	NUG Rate Limit		
28	QF March Point Cogen 2 Summer	NUG Rate Limit		
29	QF Port Townsend Hydro	Actual Cost		
30	QF PERC Puyallup	Actual Cost		
31a	QF Spokane MSW Winter	Rate Limit		
31b	QF Spokane MSW Summer	Rate Limit		
32	QF Sumas Winter	NUG Rate Limit		
33	QF Sumas Summer	NUG Rate Limit		
34	QF Sygitowicz	Actual Cost		
35	QF Tenaska (excl. Reg. Amort.)	NUG Rate Limit		
36	QF Twin Falls	Rate Limit		
37	QF Weeks Falls	Rate Limit		
38	Skookumchuck	Actual Cost		
39	Nooksack	Actual Cost		

QF Spokane MSW contract rate has been segregated into winter & summer rates as per the contract.

Puget Sound Energy, Inc.
Power Cost Adjustment Mechanism Annual Report
PCA Period Three
Twelve Months Ended June 30, 2005

Exhibits

From 03/04/05 through 06/30/05
Docket No. UG-040640, *et al.* General Rate Case

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

Exhibit A-1 Power Cost Rate: 3/4/05-6/30/05
--

Row		<u>Test Year</u>	<u>Test Yr</u>	<u>Production</u>
			<u>\$/MWh</u>	<u>Factor</u>
				<u>Rate Year</u>
3	Regulatory Assets (Variable)	\$ 282,429,058		
4	Transmission Rate Base (Fixed)	120,648,501		
5	Production Rate Base (Fixed)	468,816,565		
6		\$ 871,894,125		
7	Net of tax rate of return	7.01%		0.98719
8				
9				
10	Regulatory Asset Recovery (on Row 3)	\$ 30,458,888	\$ 1.575 (c)	
11	Fixed Asset Recovery Other (on Row 4)	13,011,477	\$ 0.673 (a)	13,011,477
12	Fixed Asset Recovery-Prod Factored (on Row 5)	50,560,063	\$ 2.615 (a)	51,216,142
13	501-Steam Fuel	40,197,040	\$ 2.079 (c)	
14	555-Purchased power	569,095,204	\$ 29.435 (c)	
14a	Tenaska disallowance	(9,536,369)	\$ (0.493) (c)	
15	557-Other Power Exp	12,407,971	\$ 0.642 (a)	12,568,980
16	547-Fuel	94,947,578	\$ 4.911 (c)	
17	565-Wheeling	44,231,987	\$ 2.288 (c)	
18	Variable Transmission Income	(3,724,830)	\$ (0.193) (c)	
19	Hydro and Other Pwr.	52,047,043	\$ 2.692 (a)	52,722,417
20	447-Sales to Others	(27,538,643)	\$ (1.424) (c)	
21	456-Subaccounts 00012 & 00018 and 00035 & 00036	-	\$ - (c)	
22	Transmission Exp - 500KV	485,960	\$ 0.025 (a)	492,266
23	Depreciation-Production (FERC 403)	40,574,158	\$ 2.099 (a)	41,100,657
23a	Amortization-Production Reg Assets (FERC 407)	25,290,481	\$ 1.308 (c)	
23b	Deferred FIT-Production Reg Assets (FERC 407)	(1,898,425)	\$ (0.098) (c)	
25	Depreciation-Transmission	5,107,346	\$ 0.264 (a)	5,107,346
26	Property Taxes-Production	9,435,249	\$ 0.488 (a)	9,557,683
27	Property Taxes-Transmission	4,748,192	\$ 0.246 (a)	4,748,192
28	Subtotal & Baseline Rate	\$ 949,900,369	\$ 49.132 (b)	190,525,159
29	Revenue Sensitive Items	0.9550366		
30		\$ 994,621,953		
31	Test Year DELIVERED Load (MWH's)	19,334,019	<-- includes Firm Wholesale	
32		<u>Before Rev. Sensitive Items</u>	<u>After Rev. Sensitive Items</u>	
	Power Cost in Rates with Revenue Sensitive Items (the adjusted baseline		51.445	
33	sum of (a) = Fixed Rate Component	9.744	10.203	
34	(b) = Power Cost Rate	49.132	51.445	
35	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 3
Twelve Months Ended June 30, 2005**

Exhibit A-2 Transmission Rate Base: 3/4/05 - 6/30/05

Row			Plant AMA 9/30/2003
7	Colstrip Related Transmission Assets		
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		29,712,528
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		60,360,680
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		78,936,632
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		21,756,799
45			
46			
47	Total Transmission		\$ 190,766,639
48	Accumulated Depreciation (AMA)		(62,513,234)
49	Deferred Taxes (EOP)		(14,645,716)
50	Transmission portion of:		
51	Colstrip Common FERC Adj, net of accum amort		4,528,960
52	Colstrip Def Depr FERC Adj, net of accum amort		732,428
53	Colstrip Transmission Land		1,779,425
54			
55	Total Transmission Rate Base		\$ 120,648,501

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

Exhibit A-3 Colstrip Fixed Costs (Page 1 of 2): 3/4/05-6/30/05

Page 18 of 26

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

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

Exhibit A-3 Colstrip Fixed Costs (Page 2 of 2): 3/4/05-6/30/05

Page 19 of 26
 Section 2 of 2

Row

83
 84
 85
 86

87 Support for Revenue Requirement - Expenses

Section 2 of 2

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

REDACTED VERSION

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

Exhibit A-4 Production Adjustment: 3/4/05-6/30/05

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)	<u>1,494,702</u>	<u>(19,147)</u>	<u>6,701</u>
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	\$1,123,818,126.23	\$ (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 3
Twelve Months Ended June 30, 2005**

Exhibit A-5 Power Costs: 3/4/05-6/30/05
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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	<u>\$ 699,215,959</u>	<u>\$ 784,446,737</u>	<u>\$ 85,230,778</u>
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	<u>\$ 738,747,832</u>	<u>\$ 821,383,832</u>	<u>\$ 82,636,000</u>
17	TRANS. EXP. INCL. 500KV O&M	(492,266)		
18	PURCHASES/SALES OF NON-CORE GAS	<u>9,704,193</u>		
19	POWER COSTS PER G/L	<u>\$ 747,959,759</u>		
20	INCREASE(DECREASE) INCOME			\$ (82,636,000)
21				
22	INCREASE(DECREASE) FIT @	35%		<u>(28,922,600)</u>
23	INCREASE(DECREASE) NOI			<u><u>\$ (53,713,400)</u></u>

12 Months Ended December 31					PCA Period 3 - July 2004 through June 2005						
Ref	Description	Asset Amort	DFIT	Balance net of	Asset Amort	DFIT Amort	AMA Ratebase as of	Return			
				AA & ADFIT				A.T. %	Amount	Pre Tax	
				(Note 1)					(Note 1)		
9											
10	Cabot Buyout				G/L Accts #18230171 and #28300461 and Order #54756002						
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	(1,965,500)	199,040	8,621,792	6/05	7.3%&7.01%	621,239	955,752
23											
24					G/L Accts #18230001 and #28300451 and Order #55500423						
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	(16,326,000)	301,086	198,322,583	6/05	7.3%&7.01%	14,290,039	21,984,675
43											
44					G/L Accts #18230071 and #18230081 and Order #55500007						
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	(3,526,620)	-	44,082,701	6/05	7.3%&7.01%	3,176,358	4,886,704
64											
65					G/L Accts #18230641, #18230691, #19000021 and 28300011						
66	White River Relicensing (Note 2)										
67	Beginning	\$		20,545,452							
68	Dec 2004	\$		15,194,768							
69	Dec 2005	\$		15,496,378	-	-	15,867,232	6/05	7.3%&7.01%	362,638	557,905
76											
77					G/L Accts #18220011, #18220021, #18220031, #18220041 and #18220051 and Order #40700015 DFIT included in 28200121						
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	(1,494,702)	48,196	42,108,376	6/05	7.3%&7.01%	3,034,099	4,667,844
88											
89					G/L Accts #25400021, #14300061 and 19000451 and Order # 54756004						
90	Canwest Liability										
91	Beginning	\$		-							
92	Dec 2004	\$		(977,293)							
93	Dec 2005	\$ 632,917	(221,521)	(6,170,942)	-	-	(1,317,326)	6/05	7.3%&7.01%	(56,453)	(86,851)
98											
99											
100											
101											
102	Period	From	To		Asset Amort	DFIT Amort	AMA Ratebase as of	A.T. %	Amount	Pre Tax	
103											
104	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
111											

112
113
114 **Note (1)** Amounts in these columns are net of accumulated amortization AND the associated Deferred FIT liability / asset.

115
116 **Note (2)** During the 2004 General Rate Case filed under WUTC Docket No. UE-040640, et al., it was agreed that the return
117 of the White River Relicensing costs would be delayed until the sale of White River is complete. At that time, the
118 Commission can make a final determination in a separate proceeding regarding the application of the proceeds against the
119 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: 7/1/04-6/30/05

Row	Effective 5/1/04 UE- 031725	GRC RY Mar05-Feb06	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 WNP3 Return				
12	BPA Snohomish Conservation				
13	CSPE				
14	Mid-Columbia				
15	Canadian Entitlement and CEA-E				
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				
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	Rate Mar05	Rate Mar05	Rate Mar05
			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 WNP3 Return					
12	BPA Snohomish Conservation					
13	CSPE					
14	Mid-Columbia					
15	Canadian Entitlement and CEA-E					
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					
39	TOTAL					\$ (814)

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 Apr05 Fwd	Rate Apr05 Fwd	Rate Apr05 Fwd	Rate Apr05 Fwd
			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 WNP3 Return					
12	BPA Snohomish Conservation					
13	CSPE					
14	Mid-Columbia					
15	Canadian Entitlement and CEA-E					
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					
39	TOTAL					\$ (35,103)
Grand Total To Schedule B Line 27						\$ (63,414)