

Exhibit No. ____ (BAL-G3)

Revisions of July 19, 2004

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

LINE NO.	ACTUAL RESULTS OF OPERATIONS 12ME Sept. 30, 2003	REVENUE & PURCHASED GAS 2.01	FEDERAL INCOME TAX 2.02	TAX BENEFIT OF PRO FORMA INTEREST 2.03	DEPRECIATION/AMORTIZATION 2.04	CONSERVATION 2.05	BAD DEBITS 2.06
1	OPERATING REVENUES						
2	SALES TO CUSTOMERS	\$ 522,553,139	\$ -	\$ -	\$ -	\$ -	\$ -
3	MUNICIPAL ADDITIONS	21,624,997	4,802,002				
4	OTHER OPERATING REVENUES	11,020,477	991,673				
5	TOTAL OPERATING REVENUES	\$ 555,198,613	\$ 175,368,470	\$ -	\$ -	\$ -	\$ -
6							
7							
8	OPERATING REVENUE DEDUCTIONS						
9							
10	GAS COSTS:						
11							
12	PURCHASED GAS	\$ 260,366,708	\$ 162,756,809	\$ -	\$ -	\$ -	\$ -
13							
14	TOTAL PRODUCTION EXPENSES	\$ 260,366,708	\$ 162,756,809	\$ -	\$ -	\$ -	\$ -
15							
16	OTHER ENERGY SUPPLY EXPENSES	\$ 1,134,458	\$ -	\$ -	\$ -	\$ -	\$ -
17	TRANSMISSION EXPENSE	360,965					
18	DISTRIBUTION EXPENSE	25,045,610					
19	CUSTOMER ACCTS EXPENSES	20,751,969	946,990				(65,238)
20	CUSTOMER SERVICE EXPENSES	4,862,124					
21	CONSERVATION AMORTIZATION	2,008,929				(1,160,780)	
22	ADMIN & GENERAL EXPENSE	26,373,760					
23	DEPRECIATION	57,635,006			241,312		
24	AMORTIZATION	9,600,784					
25	AMORTIZATION OF PROPERTY LOSS	36,543					
26	OTHER OPERATING EXPENSES	600,936					
27	TAXES OTHER THAN F.I.T.	56,143,334					
28	FEDERAL INCOME TAXES	(11,871,394)	302,494	6,061,718	(84,459)	406,273	22,833
29	DEFERRED INCOME TAXES	20,693,494	918,606				
30	TOTAL OPERATING REV. DEDUCT.	\$ 213,376,518	\$ 14,035,387	\$ 1,221,100	\$ 156,853	\$ (754,507)	\$ (42,404)
31							
32	NET OPERATING INCOME	\$ 81,455,387	\$ (1,423,726)	\$ (1,221,100)	\$ (156,853)	\$ 754,507	\$ 42,404
33							
34	RATE BASE	\$ 1,061,142,641			\$ (120,656)		
35							
36	RATE OF RETURN						
37							
38	RATE BASE:						
39	UTILITY PLANT IN SERVICE AND OTHER ASSETS	\$ 1,755,514,587	\$ -	\$ -	\$ (120,656)	\$ -	\$ -
40	ACCUMULATED DEPRECIATION	(540,807,236)					
41	ACCUMULATED DEFERRED FIT - LIBERALIZED	(140,198,298)					
42	DEPRECIATION AND OTHER LIABILITIES	(17,174,520)					
43	TOTAL NET INVESTMENT	\$ 1,057,334,533	\$ -	\$ -	\$ (120,656)	\$ -	\$ -
44	ALLOWANCE FOR WORKING CAPITAL	3,808,108					
45	TOTAL RATE BASE	\$ 1,061,142,641	\$ -	\$ -	\$ (120,656)	\$ -	\$ -

7.68%

Amounts that changed from the original and/or June 2, 2004 supplemental filings have been shaded.

REVISED 7/19/04

PUGET SOUND ENERGY-GAS
 STATEMENT OF OPERATING INCOME AND ADJUSTMENT
 FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2004
 RESTATING AND PRO FORMA ADJUSTMENTS

LINE NO.	MISCELLANEOUS OPERATING EXPENSE 2.07	PROPERTY TAXES 2.08	EXCISE TAX & FILING FEE 2.09	RATE CASE EXPENSES 2.10	PROPERTY & LIABILITY INS 2.11	PENSION PLAN 2.12
1						
2	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3						
4						
5	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
18						
19						
20						
21						
22	(152,837)		106,472	\$542,370	652,413	4,779,637
23						
24						
25						
26						
27	(10,699)	2,033,645	72,367			
28	57,238	(711,776)	(62,594)	(189,829)	(228,345)	(1,672,873)
29						
30	(106,298)	1,321,869	116,245	352,540	424,068	3,106,764
31						
32	106,298	(1,321,869)	(116,245)	(352,540)	(424,068)	(3,106,764)
33						
34	3,267,546					
35						
36						
37						
38						
39	3,267,546					
40						
41						
42						
43	3,267,546					
44	3,267,546					
45						

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REVISED 7/19/04

PUGET SOUND ENERGY-GAS
 STATEMENT OF OPERATING INCOME AND ADJUSTMENT;
 FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2004;
 RESTATING AND PRO FORMA ADJUSTMENTS

LINE NO.	WAGE INCREASE 2.13	INVESTMENT PLAN 2.14	EMPLOYEE INSURANCE 2.15	LOW INCOME AMORTIZATION 2.16	GAS WATER HEATER PROGRAM 2.17	TOTAL ADJUSTMENTS	ADJUSTED RESULTS OF OPERATIONS
1							
2	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 692,127,934
3						\$ 4,802,002	\$ 26,426,999
4						\$ 991,673	\$ 12,012,150
5	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 175,368,470	\$ 730,567,083
6							
7							
8							
9							
10							
11							
12	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 162,756,809	\$ 423,123,517
13							
14	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 162,756,809	\$ 423,123,517
15							
16	\$ 32,558	\$ -	\$ -	\$ -	\$ -	\$ 32,558	\$ 1,167,015
17	16,379					16,379	377,344
18	988,392					988,392	26,034,002
19	398,884					1,280,636	22,032,605
20	75,423			(2,757,235)		(2,681,812)	2,180,313
21						(1,160,780)	848,149
22	552,370	103,124	748,444			7,331,993	33,705,753
23						241,312	57,876,318
24							9,600,784
25							36,543
26							600,936
27	144,662					16,094,995	72,238,329
28	(773,034)	(36,093)	(261,955)			3,028,008	(8,843,386)
29						918,606	21,612,100
30	\$ 1,435,634	\$ 67,031	\$ 486,489	\$ (1,792,203)	\$ -	\$ 26,090,287	\$ 239,466,805
31							
32	\$ (1,435,634)	\$ (67,031)	\$ (486,489)	\$ 1,792,203	\$ -	\$ (13,478,626)	\$ 67,976,761
33							
34						\$ 3,146,890	\$ 1,064,289,530
35							
36							
37							6.39%
38							
39							
40						\$ 3,146,890	\$ 1,758,661,477
41							(540,807,236)
42							(140,198,298)
43							(17,174,520)
44						\$ 3,146,890	\$ 1,060,481,422
45							3,808,108
						\$ 3,146,890	\$ 1,064,289,530

Amounts that changed from the original and/or June 2, 2004 supplemental filings have been shaded.

REVISÉD 7/19/04
PUGET SOUND ENERGY-GAS
RESULTS OF OPERATIONS
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2000:
GENERAL RATE INCREASE

LINE NO.	ACTUAL RESULTS OF OPERATIONS	TOTAL ADJUSTMENTS	ADJUSTED RESULTS OF OPERATIONS	REVENUE REQUIREMENT DEFICIENCY	AFTER RATE INCREASE
1	OPERATING REVENUES:				
2	\$ 522,553,139	\$ 169,574,795	\$ 692,127,934	\$ 47,105,644	\$ 739,233,578
3	21,624,997	4,802,002	26,426,999	1,767,916	28,194,915
4	11,020,477	991,673	12,012,150	-	12,012,150
5	\$ 555,198,613	\$ 175,368,470	\$ 730,567,083	\$ 48,873,560	\$ 779,440,643
6					
7	OPERATING REVENUE DEDUCTIONS				
9					
10	GAS COSTS:				
11					
12	\$ 260,366,708	\$ 162,756,809	\$ 423,123,517	\$ -	\$ 423,123,517
13					
14	\$ 260,366,708	\$ 162,756,809	\$ 423,123,517	\$ -	\$ 423,123,517
15					
16	\$ 1,134,458	\$ 32,558	\$ 1,167,015	\$ -	\$ 1,167,015
17	360,965	16,379	377,344	-	377,344
18	25,045,610	988,392	26,034,002	26,034,002	26,034,002
19	20,751,969	1,280,636	22,032,605	22,032,605	22,032,605
20	4,862,124	(2,681,812)	2,180,313	2,180,313	2,180,313
21	2,008,929	(1,160,780)	848,149	848,149	848,149
22	26,373,760	7,331,993	33,705,753	356,777	34,062,530
23	57,635,006	241,312	57,876,318	57,876,318	57,876,318
24	9,600,784	0	9,600,784	9,600,784	9,600,784
25	36,543	0	36,543	36,543	36,543
26	600,936	0	600,936	600,936	600,936
27	56,143,334	16,094,995	72,238,329	3,768,405	76,006,734
28	(11,871,394)	3,028,008	(8,843,386)	15,661,932	6,818,546
29	20,693,494	918,606	21,612,100	21,612,100	21,612,100
30	\$ 213,376,518	\$ 26,090,287	\$ 239,466,805	\$ 19,787,114	\$ 259,253,919
31					
32	\$ 81,455,387	\$ (13,478,626)	\$ 67,976,761	\$ 29,086,446	\$ 97,063,207
33					
34	\$ 1,061,142,641	\$ 3,146,890	\$ 1,064,289,530	\$ -	\$ 1,064,289,530
35					
36	7.68%		6.39%		9.12%
37					
38	RATE BASE:				
39	\$ 1,755,514,587	\$ 3,146,890	\$ 1,758,661,477	\$ -	\$ 1,758,661,477
40	(540,807,236)	-	(540,807,236)	(540,807,236)	(49,321,620)
41	(140,198,298)	-	(140,198,298)	(140,198,298)	(12,786,085)
42	(17,174,520)	-	(17,174,520)	(17,174,520)	(1,566,316)
43	\$ 1,057,334,533	\$ 3,146,890	\$ 1,060,481,422	\$ -	\$ 96,715,906
44	3,808,108	-	3,808,108	-	347,299
45	\$ 1,061,142,641	\$ 3,146,890	\$ 1,064,289,530	\$ -	\$ 97,063,205

Amounts that changed from the original and/or June 2, 2004 supplemental filings have been shaded.

PUGET SOUND ENERGY-GAS
DEPRECIATION/AMORTIZATION
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2003
GENERAL RATE INCREASE

LINE NO.	DESCRIPTION	ADJUSTMENT
1	<u>RESTATED</u>	
2	ACTUAL ACCT 403-DEPRECIATION EXPENSE	\$ 57,593,286
3	RESTATED ACCT 403-DEPRECIATION EXPENSE	57,834,598
4	INCREASE (DECREASE) DEPRECIATION EXPENSE	(241,312)
5		
6	INCREASE (DECREASE) FIT 35%	(84,459)
7	INCREASE (DECREASE) NOI	(156,853)
8		
9	ADJUST RATE BASE FOR LINE 4 @ 50%	(120,656)
10	ADJUSTMENT TO RATE BASE	\$ (120,656)

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

LINE NO.	DESCRIPTION	
1	RATE BASE	\$ 1,064,289,530
2	RATE OF RETURN	9.12%
3		
4	OPERATING INCOME REQUIREMENT	97,063,205
5		
6	PRO FORMA OPERATING INCOME	67,976,761
7	OPERATING INCOME DEFICIENCY	29,086,444
8		
9	CONVERSION FACTOR	59.51366%
10	REVENUE REQUIREMENT DEFICIENCY	48,873,560
11	MISCELLANEOUS SETTLEMENT ADJUSTMENT	
12	TOTAL REVENUE REQUIREMENT	\$48,873,560

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PUGET SOUND ENERGY-GAS
CONVERSION FACTOR
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2003
GENERAL RATE INCREASE

LINE NO.	DESCRIPTION	BASE	RATE	AMOUNT
1	TOTAL OPERATING REVENUE			100%
2				
3	OPERATING REVENUE DEDUCTION			
4	OTHER OPERATIONS			0.540%
5	OTHER TAXES			
6	STATE UTILITY	100.00%		
7		-0.540%		
8				
9	STATE UTILITY TAX	99.46%	3.852%	3.831%
10	MUNICIPAL REVENUE			3.879%
11	ALL OTHER (FILING FEE)			0.190%
12	FEDERAL INCOME TAX:			
13	CURRENT	91.56%	35.00%	32.05%
14				
15				
16	TOTAL OPERATING REVENUE DEDUCTIONS			40.486%
17				
18	CONVERSION FACTOR			59.5137%

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