

**Exhibit No. \_\_\_\_ (JHS-E3)**

**Revisions of July 19, 2004**

**REVISED 7/19/04**  
**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	\$ 82,662,094	\$ 1,497,487,672
3	SALES FROM RESALE-FIRM	364,717		364,717	457,443	40,164	497,607
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	117,626	33,089,592
6	TOTAL OPERATING REVENUES	1,495,407,563	11,716,081	1,507,123,644	1,475,010,680	82,819,884	1,557,830,564
7							
8	OPERATING REVENUE DEDUCTIONS:						
9							
10	POWER COSTS:						
11	FUEL	\$ 64,236,514	\$ -	\$ 64,236,514	\$ 134,654,427	\$ -	\$ 134,654,427
12	PURCHASED AND INTERCHANGED	769,384,600		769,384,600	558,165,735		558,165,735
13	WHEELING	39,868,912		39,868,912	4,898,001		45,898,001
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	2,958,064		2,958,064
22	CONSERVATION AMORTIZATION	29,421,865	10,967,322	40,389,187	98,370		98,370
23	ADMIN & GENERAL EXPENSE	59,296,783		59,296,783	73,237,803	620,387	73,858,193
24	DEPRECIATION	124,154,290		124,154,290	126,490,392		126,490,392
25	AMORTIZATION	24,086,070		24,086,070	22,680,897		22,680,897
26	AMORTIZ OF PROPERTY GAIN/LOSS	6,000,000		6,000,000	3,669,549		9,669,549
27	OTHER OPERATING EXPENSES	(3,438,725)		(3,438,725)	3,634,375		195,650
28	TAXES OTHER THAN F.I.T.	131,930,399		131,930,399	105,053,207	3,189,684	108,242,890
29	FEDERAL INCOME TAXES	(5,764,878)		(5,764,878)	34,289,925	27,653,435	56,178,482
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	1,283,768,871	31,463,506	1,315,232,377
32							
33	NET OPERATING INCOME	\$ 218,889,675	\$ 748,759	\$ 219,638,434	\$ 191,241,809	\$ 51,356,378	\$ 242,598,187
34							
35	RATE BASE	\$ 2,629,512,568	\$ -	\$ 2,629,512,568	\$ 2,660,067,846	\$ -	\$ 2,660,067,846
36							
37	RATE OF RETURN	8.32%		8.35%	7.19%		9.12%
38							
39	RATE BASE:						
40	UTILITY PLANT IN SERVICE	\$ 2,578,449,579	\$ -	\$ 2,578,449,579	\$ 2,605,695,904		\$ 2,605,695,904
41	DEFERRED DEBITS	334,433,269		334,433,269	345,057,885		345,057,885
42	DEFERRED TAXES	(322,115,231)		(322,115,231)	(317,861,030)		(317,861,030)
43	CONSERVATION TRUST	11,569,864		11,569,864	-		-
44	ALLOWANCE FOR WORKING CAPITAL	59,592,732		59,592,732	59,592,732		59,592,732
45	OTHER	(32,417,645)		(32,417,645)	(32,417,645)		(32,417,645)
46	TOTAL RATE BASE	\$ 2,629,512,568	\$ -	\$ 2,629,512,568	\$ 2,660,067,846	\$ -	\$ 2,660,067,846

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

**REVISED 7/19/04**  
**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.	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		
1	OPERATING REVENUES							
2	SALES TO CUSTOMERS	\$ 1,262,399,726	\$ 145,470,106	\$ -	\$ -	\$ -	\$ -	\$ -
3	SALES FROM RESALE-FIRM	364,717	91,532					
4	SALES TO OTHER UTILITIES	199,186,464						
5	OTHER OPERATING REVENUES	45,262,737	1,136,399	(9,385,023)	(172,430,770)			
6	TOTAL OPERATING REVENUES	\$ 1,507,123,644	\$ 145,598,037	\$ (9,385,023)	\$ (175,760,147)	\$ -	\$ -	\$ -
7	OPERATING REVENUE DEDUCTIONS:							
8								
9								
10	POWER COSTS:							
11	FUEL	\$ 64,236,514	\$ -	\$ 70,417,914	\$ -	\$ -	\$ -	\$ -
12	PURCHASED AND INTERCHANGED	769,384,600		(211,218,865)				
13	WHEELING	39,868,912		4,029,090				
14	RESIDENTIAL EXCHANGE	(172,382,420)		172,382,420				
15	TOTAL PRODUCTION EXPENSES	\$ 701,107,606	\$ -	\$ 35,610,558	\$ -	\$ -	\$ -	\$ -
16								
17	OTHER POWER SUPPLY EXPENSES	\$ 46,852,153	\$ -	\$ 4,536,429	\$ -	\$ -	\$ -	\$ -
18	TRANSMISSION EXPENSE	3,409,865		(6,306)				
19	DISTRIBUTION EXPENSE	58,327,849						
20	CUSTOMER ACCTS EXPENSES	34,589,847	820,159					
21	CUSTOMER SERVICE EXPENSES	8,700,615						
22	CONSERVATION AMORTIZATION	40,389,187						
23	ADMIN & GENERAL EXPENSE	59,296,783						
24	DEPRECIATION	124,154,290						130,808
25	AMORTIZATION	24,086,070						18,811
26	AMORTIZ OF PROPERTY GAIN/LOSS	6,000,000						
27	OTHER OPERATING EXPENSES	(3,438,725)						
28	TAXES OTHER THAN F.I.T.	131,930,399	(34,123,833)		(128,226)			
29	FEDERAL INCOME TAXES	(5,764,878)	62,803,045	(17,533,996)	(61,471,172)	35,362,248	7,809,142	(57,367)
30	DEFERRED INCOME TAXES	57,844,151				(30,710,901)		
31	TOTAL OPERATING REV. DEDUCT.	\$ 1,287,485,210	\$ 29,878,098	\$ 22,806,685	\$ (61,599,398)	\$ 4,651,347	\$ 7,809,142	\$ 97,252
32								
33	NET OPERATING INCOME	\$ 219,638,434	\$ 115,819,939	\$ (32,191,708)	\$ (114,160,749)	\$ (4,651,347)	\$ (7,809,142)	\$ (97,232)
34								
35	RATE BASE	\$ 2,629,512,568						\$ (74,810)
36								
37	RATE OF RETURN	8.35%						
38								
39	RATE BASE:							
40	UTILITY PLANT IN SERVICE	\$ 2,578,449,579	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (65,404)
41	DEFERRED DEBITS	334,433,269						(9,406)
42	DEFERRED TAXES	(322,115,231)						
43	CONSERVATION TRUST	11,569,864						
44	ALLOWANCE FOR WORKING CAPITAL	59,592,732						
45	OTHER	(32,417,645)						
46	TOTAL RATE BASE	\$ 2,629,512,568	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (74,810)

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



REVISED 7/19/04

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	BAD DEBITS	MISCELLANEOUS OPERATING EXPENSE	PROPERTY TAXES	WHITE RIVER RELIC/PLANT COSTS	FILING FEE	D&O INSURANCE	MONTANA ENERGY TAX
	2.08	2.09	2.10	2.11	2.12	2.13	2.14	2.15
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	\$ -	(712,770)	\$ -	\$ -	\$ -	\$ -	\$ -
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							
19	DISTRIBUTION EXPENSE							
20	CUSTOMER ACCTS EXPENSES	(75,456)						
21	CUSTOMER SERVICE EXPENSES							
22	CONSERVATION AMORTIZATION							
23	ADMIN & GENERAL EXPENSE	(40,290,817)						
24	DEPRECIATION		(273,367)			220,827	(7,961)	
25	AMORTIZATION							
26	AMORTIZ OF PROPERTY GAIN/LOSS							
27	OTHER OPERATING EXPENSES							
28	TAXES OTHER THAN F.I.T.		(19,136)	3,841,313				166,059
29	FEDERAL INCOME TAXES	14,101,786	(147,093)	(1,344,460)		(77,289)	2,786	(58,121)
30	DEFERRED INCOME TAXES							
31	TOTAL OPERATING REV. DEDUCT.	\$ (26,189,031)	\$ (49,046)	\$ 2,496,853	\$ 1,408,735	\$ 143,538	\$ (5,175)	\$ 107,939
32								
33	NET OPERATING INCOME	\$ 26,189,031	\$ 49,046	\$ (2,496,853)	\$ (1,408,735)	\$ (143,538)	\$ 5,175	\$ (107,939)
34	RATE BASE	\$ (11,569,864)	\$	\$ 1,711,055	\$	\$	\$ 21,435,442	\$
35								
36								
37	RATE OF RETURN							
38								
39	RATE BASE:							
40	UTILITY PLANT IN SERVICE	\$ -	\$ 1,711,055	\$ -	\$ (43,511,694)	\$ -	\$ -	\$ -
41	DEFERRED DEBITS				64,909,234			
42	DEFERRED TAXES				57,902			
43	CONSERVATION TRUST	(11,569,864)						
44	ALLOWANCE FOR WORKING CAPITAL							
45	OTHER							
46	TOTAL RATE BASE	\$ (11,569,864)	\$ -	\$ 1,711,055	\$ 21,435,442	\$ -	\$ -	\$ -

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

REVISED 7/19/04

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.	MONTANA CORP LICENSE TAX 2.25	STORM DAMAGE 2.26	LOW INCOME AMORTIZATION 2.28	REGULATORY ASSETS 2.29	PRODUCTION ADJUSTMENT 2.30	TOTAL ADJUSTMENTS	ADJUSTED RESULTS OF OPERATIONS
1			\$ -	\$ -	\$ -	\$ -	\$ 152,515,852
2						92,726	457,443
3						(172,430,770)	26,755,694
4						(12,290,771)	32,971,966
5						(32,112,963)	14,750,080
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(Note 1) CONFIDENTIAL per Protective Order in UE-040640 and CONFIDENTIAL per WAC 480-07-160

REVISED 7/19/04

**PUGET SOUND ENERGY-ELECTRIC  
TAX BENEFIT OF PRO FORMA INTEREST  
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2003  
GENERAL RATE INCREASE**

LINE NO.	DESCRIPTION	AMOUNT
1	RATE BASE	\$ 2,660,067,846
2	DEDUCTIBLE CWIP	63,264,591
3	NET RATE BASE	\$ 2,723,332,437
4		
5	WEIGHTED COST OF DEBT	3.83%
6	PROFORMA INTEREST	\$ 104,257,619
7		
8	<u>INTEREST EXPENSE ITEMS PER BOOKS:</u>	
9	INTEREST ON LONG TERM DEBT	\$ 119,754,211
10	AMORTIZATION OF DEBT DISCOUNT	
11	AND EXPENSE, NET OF PREMIUMS	2,967,877
12	CONSERVATION TRUST INTEREST	865,394
13	OTHER INTEREST EXPENSE	3,133,604
14	LESS: INTEREST ON CUSTOMER DEPOSITS	(151,631)
15	CHARGED TO EXPENSE IN TEST YEAR	126,569,455
16		
17	INCREASE (DECREASE) INCOME	\$ 22,311,836
18		
19	INCREASE (DECREASE) FIT @	35% 7,809,142
20	INCREASE (DECREASE) NOI	\$ (7,809,142)

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



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

LINE NO.	DESCRIPTION	TEST YEAR	RESTATED	ADJUSTMENT
1	NET OPERATING INCOME:			
2				
3	DEPRECIATION EXPENSE (FERC 403)	\$ 124,127,498	\$ 124,258,306	\$ 130,808
4				
5	AMORTIZATION EXPENSE:			
6	WUTC AFUDC PLANT ACQUISITION ADJUSTMENT	1,160,838	1,179,649	18,811
7				
8	INCREASE (DECREASE) NET OPERATING INCOME	125,288,336	125,437,955	\$ (149,619)
9				
10	INCREASE (DECREASE) FIT @		35%	(52,367)
11	INCREASE (DECREASE) NOI			\$ (97,252)
12				
13				
14				
15	ADJUST RATE BASE FOR LINE 8			
16	UTILITY PLANT IN SERVICE (50% x LINE 3)			\$ (65,404)
17	DEFERRED DEBITS (50% X LINE 6)			(9,406)
18	TOTAL ADJUSTMENT TO RATEBASE		50%	(74,810)

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

**PUGET SOUND ENERGY-ELECTRIC  
WHITE RIVER RELICENSING AND PLANT COSTS  
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2003  
GENERAL RATE INCREASE**

LINE NO.	DESCRIPTION	TEST YEAR	PROFORMA	ADJUSTMENT
1	<b>EFFECT ON OVERALL OPERATING EXPENSES:</b>			
2	ADJUSTMENT TO DEPRECIATION EXPENSE (FERC 403):			
3	RELICENSING COSTS	\$ -	\$ -	\$ -
4	PLANT COSTS	1,381,963	-	(1,381,963)
6	TOTAL OPERATING EXPENSE (FERC 403)	\$ 1,381,963	\$ -	(1,381,963)
7				
8	ADJUSTMENT TO AMORTIZATION EXPENSE (FERC 407):			
9	RELICENSING COSTS	\$ -	\$ 2,054,545	\$ 2,054,545
10	PLANT COSTS	-	1,494,702	1,494,702
12	TOTAL OPERATING EXPENSE (FERC 407)	\$ -	\$ 3,549,247	3,549,247
13				
14	INCREASE (DECREASE) INCOME			(2,167,284)
15				
16	INCREASE (DECREASE) FIT @		35%	(758,549)
17	INCREASE (DECREASE) NOI			\$ (1,408,735)
18				
19	<b>EFFECT ON OVERALL RATEBASE:</b>			
20	<b>ADJUSTMENT TO PRODUCTION RATE BASE:</b>			
21	PLANT COSTS			
22	GROSS PLANT	\$ 61,716,085	\$ -	\$ (61,716,085)
23	ACCUMULATED DEPREC / AMORT	(18,204,391)	-	18,204,391
24	DEFERRED FIT	(4,105,474)	-	4,105,474
25	NET PLANT COSTS IN BEG PROD RB (Note 1)	\$ 39,406,220	\$ -	\$ (39,406,220)
26				
27	<b>ADJUSTMENT TO REGULATORY ASSET RATE BASE:</b>			
28	RELICENSING COSTS			
29	DEFERRED RELICENSING COSTS:			
30	WHITE RIVER LICENSING CHARGES	\$ -	\$ 15,201,438	\$ 15,201,438
31	WATER RIGHTS	-	2,585,017	2,585,017
32	OTHER WHITE RIVER CWIP	-	2,758,997	2,758,997
33	GROSS RELICENSING COSTS - AMA	-	20,545,452	20,545,452
34	ACCUMULATED AMORTIZATION - AMA	-	(1,027,273)	(1,027,273)
35				
36	TOTAL ADJUST TO REG ASSET RATEBASE	-	19,518,179	19,518,179
37	PLANT COSTS			
38	GROSS PLANT	-	66,660,934	66,660,934
39	ACCUMULATED DEPREC / AMORT	-	(21,269,880)	(21,269,880)
40	DEFERRED FIT	-	(4,047,572)	(4,047,572)
41	NET PLANT COSTS	-	41,343,483	41,343,483
42				
43	<b>EFFECT ON OVERALL RATEBASE</b>	\$ 39,406,220	\$ 60,861,662	\$ 21,455,442
44				

(Note 1) In Order 15 of WUTC Docket No. 03-1725, the Commission authorized the White River accounting treatment regarding net plant originally filed under WUTC Docket No. 032043.

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



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

LINE NO. DESCRIPTION	AMOUNT
1 RESTATED WUTC FILING FEE	\$ 2,489,964
2 CHARGED TO EXPENSE FOR TEST YEAR	2,269,137
3 INCREASE(DECREASE) WUTC FILING FEE	\$ 220,827
4	
5 INCREASE(DECREASE) INCOME	(220,827)
6	
7 INCREASE(DECREASE) FIT @	35% (77,289)
8 INCREASE(DECREASE) NOI	\$ (143,538)

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

REVISED 7/19/04

PUGET SOUND ENERGY-ELECTRIC  
D&O INSURANCE  
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2003  
GENERAL RATE INCREASE

LINE NO.	DESCRIPTION	TEST YEAR	RESTATED	ADJUSTMENT
1	D & O INS. CHG EXPENSE	\$ 543,323	\$ 535,361	\$(7,961)
2				
3	INC(DEC) IN EXPENSE	\$ 543,323	\$ 535,361	\$(7,961)
4				
5	INCREASE(DECREASE) OPERATING INCOME			7,961
6	INCREASE (DECREASE) FIT @		35%	2,786
7	INCREASE (DECREASE) NOI			\$ 5,175

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

REVISED 7/19/04

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PUGET SOUND ENERGY-ELECTRIC  
MONTANA CORPORATE LICENSE TAX  
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2003  
GENERAL RATE INCREASE

LINE NO.	DESCRIPTION	AMOUNT
1	FEDERAL CURRENT TAXABLE INCOME	\$ 51,509,914
2	ADD: MONTANA CORP. LICENSE TAX DED. ON BOOKS	(1,741,728)
3	PRO FORMA INTEREST ADJUSTMENT	22,311,836
4	INCOME SUBJECT TO APPORTIONMENT	72,080,022
5		
6	MONTANA APPORTIONMENT FACTOR	4.50%
7	MONTANA TAXABLE INCOME	3,243,601
8		
9	PROFORMA MONTANA CORP. LIC. TAX	6.75% 218,943
10	CHARGED TO EXPENSE IN TEST YEAR	(1,741,728)
11	INCREASE (DECREASE) INCOME	(1,960,671)
12		
13	INCREASE (DECREASE) FIT @	35% (686,235)
14	INCREASE (DECREASE) NOI	\$ (1,274,436)

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



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

LINE NO.	DESCRIPTION	TEST YEAR	PROFORMA RYE FEB '06	ADJUSTMENT
1	<u>FREDERICKSON PLANT RATE BASE</u>			
2	PLANT BALANCE			
3	ACCUMULATED DEPRECIATION			
4	DEFERRED FIT			
5	FREDERICKSON PLANT RATE BASE			
6				
7	<u>FREDERICKSON OPERATING EXPENSES:</u>			
8				
9	DEPRECIATION EXPENSE			
10	PROPERTY INSURANCE			
11	PLANT PROPERTY TAXES			
12	TOTAL O&M EXPENSE			
13				
14	INCREASE (DECREASE) EXPENSE			
15				
16	INCREASE (DECREASE) FIT @			
17	INCREASE (DECREASE) NOI			

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Amounts that changed from the original and/or June 2, 2004 supplemental filings have been shaded.  
 Confidential per protective order in WUTC Docket Nos. UG-040640 et al.

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

LINE NO.	DESCRIPTION	TEST YEAR	PROFORMA	ADJUSTMENT
1	<u>ADJUSTMENT TO RATE BASE:</u>			
2	REG ASSET NET OF ACCUM AMORT AND DFIT:			
3	CABOT	\$ 8,512,095	\$ 5,972,250	\$ (2,539,845)
4	TENASKA	214,321,604	179,146,208	(35,175,396)
5	BEP	50,254,243	41,731,621	(8,522,622)
6				
7	ADJUSTMENT TO RATE BASE - NET ASSET VALUE			<u>\$ (46,237,863)</u>

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

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	\$ -	\$ -	\$ -
3	OTHER POWER SUPPLY	602,671	(7,720)	2,702
4	TOTAL PRODUCTION WAGE INCREASE	602,671	(7,720)	2,702
5	PAYROLL OVERHEADS	1,735,539	(22,232)	7,781
6	PROPERTY INSURANCE	2,291,570	(29,355)	10,274
7	TOTAL A&G	4,027,109	(51,587)	18,055
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)	41,100,657	(526,499)	130,483
13	AMORTIZATION (FERC 407)	3,549,247	(45,466)	15,913
14	TAXES OTHER-PRODUCTION PROPERTY:			
15	PROPERTY TAXES - WASHINGTON	4,236,207	(54,266)	18,993
16	PROPERTY TAXES - MONTANA	5,321,477	(68,168)	23,859
17	ELECTRIC ENERGY TAX	1,741,864	(22,313)	7,810
18	PAYROLL TAXES	743,897	(9,529)	3,335
19	TOTAL TAXES OTHER	12,043,445	(154,277)	53,997
20	INCREASE(DECREASE) INCOME		785,549	
21	INCREASE(DECREASE) FIT			221,150
22	INCREASE(DECREASE) NOI			\$ 564,399
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	616,312,563	(7,894,963)	
33	DEDUCT:			
34	LIBR. DEPREC. PRE 1981 (EOP)	(647,743)	8,298	
35	LIBR. DEPREC. POST 1980 (EOP)	(87,853,791)	1,125,407	
36	OTHER DEF. TAXES (EOP)	(21,361,000)	273,634	
37	SUBTOTAL	(109,862,534)	1,407,339	
38				
39	ADJUSTMENT TO PRODUCTION RATE BASE	506,450,030	(6,487,624)	
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	19,518,179	(250,028)	
46	WHITE RIVER PLANT COSTS	41,343,483	(529,610)	
47	ADJUSTMENT TO REGULATORY ASSETS RATE BASE	287,711,742	(3,685,588)	
48				
49	TOTAL ADJUSTMENT TO RATE BASE	\$ 794,161,771	\$ (10,173,212)	

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



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

## LINE

## NO. DESCRIPTION

1	RATE BASE	\$ 2,660,067,846
2	RATE OF RETURN	9.12%
3		
4	OPERATING INCOME REQUIREMENT	242,598,188
5		
6	PRO FORMA OPERATING INCOME	191,241,809
7	OPERATING INCOME DEFICIENCY	51,356,378
8		
9	CONVERSION FACTOR	0.6200972
10	REVENUE REQUIREMENT DEFICIENCY	82,819,884
11	ASSIGNMENT TO LARGE FIRM WHOLESAL	117,626
12	ASSIGNMENT TO SMALL FIRM WHOLESAL	40,164
13		\$ 82,662,094

**Exhibit No. \_\_\_\_ (JHS-4)**

**Revisions of July 19, 2004**

**Exhibit A-1 Power Cost Rate**

Row		Test Year			Test Yr \$/MWh	Rate Year
3	Regulatory Assets (Variable)	\$	284,026,154			
4	Transmission Rate Base (Fixed)		120,648,501			
5	Production Rate Base (Fixed)		499,962,406			
6		\$	904,637,060			
7	Net of tax rate of return		7.78%			
8						
9						
10	Regulatory Asset Recovery (on Row 3)	\$	33,995,746	\$	1.761	(c)
11	Fixed Asset Recovery Other (on Row 4)		14,440,697	\$	0.748	(a)
12	Fixed Asset Recovery-Prod Factored (on Row 5)		59,841,654	\$	3.099	(a)
13	501-Steam Fuel		38,721,615	\$	2.005	(c)
14	555-Purchased power		542,982,370	\$	28.121	(c)
15	557-Other Power Exp		12,529,903	\$	0.649	(a)
16	547-Fuel		105,015,715	\$	5.439	(c)
17	565-Wheeling		43,898,002	\$	2.273	(c)
18	Variable Transmission Income		(3,724,830)	\$	(0.193)	(c)
19	Hydro and Other Pwr.		51,388,582	\$	2.661	(a)
20	447-Sales to Others		(26,755,694)	\$	(1.386)	(c)
21	456-Subaccounts 00012 & 00018 and 00035 & 00036		(319,170)	\$	(0.017)	(c)
22	Transmission Exp - 500KV		485,960	\$	0.025	(a)
23	Depreciation-Production (FERCs 403 and 407)		44,077,939	\$	2.283	(a)
24	Depreciation-Transmission		5,107,346	\$	0.265	(a)
25	Property Taxes-Production		9,435,250	\$	0.489	(a)
26	Property Taxes-Transmission		4,748,192	\$	0.246	(a)
27	Subtotal & Baseline Rate	\$	935,869,277	\$	48.468	(b)
28	Revenue Sensitive Items		0.9539957			
29		\$	980,999,470			
30	Test Year Load (MWH's)		19,308,876			<-- includes Firm Wholesale
31						
	Power Cost in Rates with Revenue Sensitive Items (the adjusted baseline)					
32					50.805	
33	sum of (a) = Fixed Rate Component		10.465		10.970	
34	(b) = Power Cost Rate		48.468		50.805	
35	sum of (c) = Variable Power Rate		38.003		39.836	
36						
37						
38	* Regulatory Assets are Tenaska, Encogen Fuel Buyout, BEP and White River Relicensing and Plant Costs					



**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	\$ -	\$ -	-
3 OTHER POWER SUPPLY	602,671	(7,720)	2,702
4 TOTAL PRODUCTION WAGE INCREASE	602,671	(7,720)	2,702
5 PAYROLL OVERHEADS	1,735,539	(22,232)	7,781
6 PROPERTY INSURANCE	2,291,570	(29,355)	10,274
7 TOTAL A&G	4,027,109	(51,587)	18,055
8			
9 DEPRECIATION / AMORTIZATION:			
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15 PROPERTY TAXES - WASHINGTON	4,236,207	(54,266)	18,993
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19 TOTAL TAXES OTHER	12,043,445	(154,277)	53,997
20 INCREASE(DECREASE) INCOME		785,549	
21 INCREASE(DECREASE) FIT			221,150
22 INCREASE(DECREASE) NOI			\$ 564,399
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)	
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37 SUBTOTAL	(109,862,534)	1,407,339	
38			
39 ADJUSTMENT TO PRODUCTION RATE BASE	506,450,030	(6,487,624)	
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	19,518,179	(250,028)	
46 WHITE RIVER PLANT COSTS	41,343,483	(529,610)	
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48			
49 TOTAL ADJUSTMENT TO RATE BASE	\$ 794,161,771	\$ (10,173,212)	

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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	\$ 143,737,330	\$ 79,500,816
2a	TENASKA DISALLOWANCE	0	(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)

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REVISED 7/19/04

**Exhibit D: Regulatory Assets  
for the Rate Year in the 2004 General Rate Case (March 1, 2005 through February 28, 2006)**

GRC - 12ME February

Ref	Description	Interest	Amort		December 31 Balance	Asset Amort	DFIT Amort	AMA Ratebase as of	A.T. %	Return	
			Asset	DFIT						Amount	Pre Tax
10											
11	Cabot Buyout G/L Acct #18230171 and #28300461										
17	Dec 2004 \$	-	(1,768,000)	601,000	7,007,000						
18	Dec 2005 \$	-	(2,163,000)	620,000	5,464,000	(2,238,167)	623,500	5,972,250	2/06	7.78%	464,641
22											714,832
23											
24	Tenaska G/L Acct #18230001 and #28300451										
32	Dec 2004 \$	-	(14,744,000)	834,000	190,445,000						
33	Dec 2005 \$	-	(17,908,000)	1,013,000	173,550,000	(18,359,167)	1,038,333	179,146,208	2/06	7.78%	13,937,575
40											21,442,423
41											
42	BEP G/L Acct #18230071 and #18230081										
46	Dec 2004 \$	-	(3,526,620)		44,082,701						
47	Dec 2005 \$	-	(3,526,620)		40,556,081	(3,526,620)		41,731,621	2/06	7.78%	3,246,720
60											4,994,954
61											
62	White River Relicensing Costs										
63	Beginning \$	-			20,545,452						
64	Dec 2005 \$	-	(1,712,121)		18,833,331	(2,054,545)		19,518,180	2/06	7.78%	1,518,514
76											2,336,176
77											
78	White River Plant Costs										
79	Beginning \$	-			43,419,577						
80	Dec 2004 \$	-	(1,494,702)	241,979	42,166,854						
81	Dec 2005 \$	-	(1,494,702)	259,328	40,931,481	(1,494,702)	261,226	41,343,483	2/06	7.78%	3,216,523
82											4,948,497
83											
84											
85											
86											
87											
88											

Period	From	To	Return	Pre-tax
GRC #1	Mar-05	Feb-06		
	Return per Exhibit A-1 Line 10 (Line 84 net of production factor of 1.281%)			
	Line 18 + 33 + 47 + 64 + 81	2/06	7.78%	22,383,974
	284,026,155	2/06	7.78%	22,097,235
				33,995,746

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