

Exhibit \_\_\_ (JMR-2C)  
Docket No. UG-040640, et al.  
Witness: James M. Russell

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

WASHINGTON UTILITIES AND  
TRANSPORTATION COMMISSION,

Complainant,

v.

PUGET SOUND ENERGY, INC.

Respondent.

DOCKET NO. UG-040640  
DOCKET NO. UE-040641  
(consolidated)

EXHIBIT TO TESTIMONY OF

JAMES M. RUSSELL

STAFF OF THE WASHINGTON UTILITIES  
AND TRANSPORTATION COMMISSION

Summary Results of Operations & Revenue Requirement

September 23, 2004

**\*\*REDACTED VERSION\*\***

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	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	\$ 152,515,852	\$ 1,414,825,578	\$ 21,327,865	\$ 1,436,153,443
3	SALES FROM RESALE-FIRM	364,717		364,717	92,726	457,443		464,922
4	SALES TO OTHER UTILITIES	199,186,464		199,186,464	(144,028,832)	55,157,632		55,157,632
5	OTHER OPERATING REVENUES	45,262,737		45,262,737	(12,290,771)	32,971,966		32,993,869
6	TOTAL OPERATING REVENUES	1,495,407,563	11,716,081	1,507,123,644	(3,711,025)	1,503,412,619	21,327,865	1,524,769,866
7								
8	OPERATING REVENUE DEDUCTIONS:							
9								
10	POWER COSTS:							
11	FUEL	\$ 64,236,514	\$ -	\$ 64,236,514	\$ 127,037,759	\$ 191,274,273	\$ -	\$ 191,274,273
12	PURCHASED AND INTERCHANGED	769,384,600		769,384,600	(218,445,518)	550,939,082		550,939,082
13	WHEELING	39,866,912		39,866,912	1,924,168	41,793,079		41,793,079
14	RESIDENTIAL EXCHANGE	(172,382,420)		(172,382,420)	172,382,420	-		-
15	TOTAL PRODUCTION EXPENSES	701,107,606		701,107,606	82,898,828	784,006,434		784,006,434
16								
17	OTHER POWER SUPPLY EXPENSES	\$ 46,852,153	\$ -	\$ 46,852,153	\$ 494,576	\$ 51,793,479	\$ -	\$ 51,793,479
18	TRANSMISSION EXPENSE	3,409,865		3,409,865	79,095	3,588,960		3,588,960
19	DISTRIBUTION EXPENSE	58,327,849		58,327,849	2,063,772	60,391,621		60,391,621
20	CUSTOMER ACCOUNT EXPENSES	34,589,847		34,589,847	(245,269)	34,344,578		34,344,578
21	CUSTOMER SERVICE EXPENSES	8,700,615		8,700,615	(5,776,537)	2,924,078		2,924,078
22	CONSERVATION AMORTIZATION	29,421,865	10,967,322	40,389,187	(40,290,817)	98,370		98,370
23	ADMIN & GENERAL EXPENSE	59,296,783		59,296,783	(5,501,138)	68,946,941	134,963	68,981,903
24	DEPRECIATION	124,154,290		124,154,290	2,336,102	126,490,392		126,490,392
25	AMORTIZATION	24,086,070		24,086,070	(1,405,173)	22,680,897		22,680,897
26	AMORTIZ OF PROPERTY GAIN/LOSS	6,000,000		6,000,000	1,611,323	7,641,323		7,641,323
27	OTHER OPERATING EXPENSES	(3,438,725)		(3,438,725)	3,634,375	195,650		195,650
28	TAXES OTHER THAN F.I.T.	131,930,399		131,930,399	(30,933,965)	101,006,513	823,510	101,830,023
29	FEDERAL INCOME TAXES	(5,764,878)		(5,764,878)	31,015,799	25,246,701	7,139,572	32,386,273
30	DEFERRED INCOME TAXES	57,844,151		57,844,151	(30,411,536)	27,432,615		27,432,615
31	TOTAL OPERATING REV. DEDUCT.	1,276,517,888	10,967,322	1,287,485,210	29,203,321	1,316,688,531	8,098,044	1,324,786,576
32								
33	NET OPERATING INCOME	\$ 218,889,675	\$ 748,759	\$ 219,638,434	\$ (32,914,346)	\$ 186,724,088	\$ 13,259,203	\$ 199,983,290
34								
35	RATE BASE	\$ 2,534,407,389	\$ -	\$ 2,534,407,389	\$ 29,480,949	\$ 2,563,888,338	\$ -	\$ 2,563,888,338
36								
37	RATE OF RETURN	8.64%						7.80%
38								
39	RATE BASE:							
40	UTILITY PLANT IN SERVICE			\$ 2,578,449,579	\$ 27,246,325	\$ 2,605,695,904		
41	DEFERRED DEBITS			334,433,269	9,146,132	343,579,401		
42	DEFERRED TAXES			(32,043,270)	(4,958,574)	(36,604,914)		
43	CONSERVATION TRUST			11,569,864	(11,569,864)	-		
44	ALLOWANCE FOR WORKING CAPITAL			(32,417,645)	-	(32,417,645)		
45	OTHER			13,635,592	-	13,635,592		
46	TOTAL RATE BASE	\$ 2,534,407,389	\$ -	\$ 2,534,407,389	\$ 29,480,949	\$ 2,563,888,338	\$ -	\$ 2,563,888,338



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.	DESCRIPTION	Parvinen	Russell	Parvinen/Russell	Parvinen	Russell	Parvinen/Russell	Russell	Russell	Russell	Russell
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	2.08									
7					(712,770)						
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										
21	CUSTOMER SERVICE EXPENSES										
22	CONSERVATION AMORTIZATION										
23	ADMIN & GENERAL EXPENSE										
24	DEPRECIATION										
25	AMORTIZATION										
26	AMORTIZ OF PROPERTY GAIN/LOSS										
27	OTHER OPERATING EXPENSES										
28	TAXES OTHER THAN F.I.T.										
29	FEDERAL INCOME TAXES										
30	DEFERRED INCOME TAXES										
31	TOTAL OPERATING REV. DEDUCT.										
32											
33	NET OPERATING INCOME										
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										

CONSERVATION 2.08  
 BAD DEBITS 2.09  
 MISCELLANEOUS OPERATING EXPENSE 2.10  
 PROPERTY TAXES 2.11  
 WHITE RIVER RELIC/PLANT COSTS 2.12  
 FILING FEE 2.13  
 D&O INSURANCE 2.14  
 MONTANA ENERGY TAX 2.15



