

EXHIBIT NO. ___(BAL-3)
DOCKET NO. UE-04_____
2004 PSE PCA 2 COMPLIANCE
WITNESS: BARBARA A. LUSCIER

BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

In the Matter of the Petition of

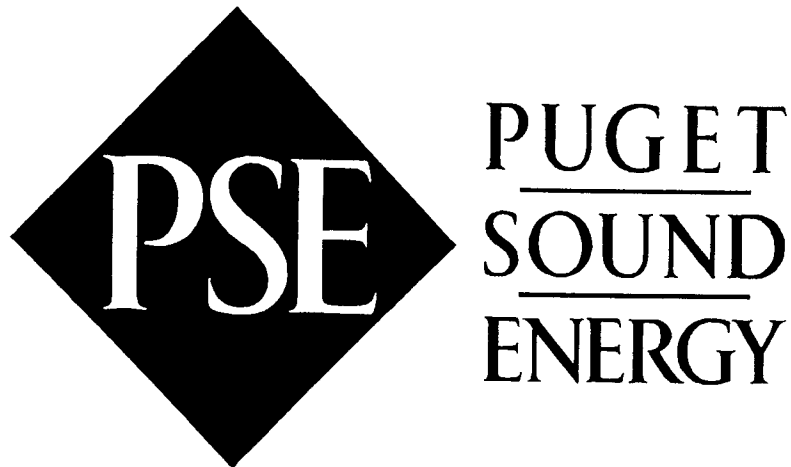
PUGET SOUND ENERGY, INC.

**For Approval of its 2004 Power Cost Adjustment
Mechanism Report**

Docket No. UE-04_____

**SECOND EXHIBIT (NONCONFIDENTIAL) TO
PREFILED DIRECT TESTIMONY OF BARBARA A. LUSCIER
ON BEHALF OF PUGET SOUND ENERGY, INC.**

AUGUST 31, 2004



Power Cost Adjustment Mechanism Annual Report

PCA Period Two

Twelve Months Ended June 30, 2004

Puget Sound Energy
Power Cost Adjustment Mechanism
2004 Annual Report – PCA Period Two
Twelve Months Ended June 30, 2004

Exhibit No. ____ (BAL-3)
2 of 25

Index

2. Power Cost Summary

3. Exhibit A-1 – Power Cost Rate, Updated Actual (7/1/03-6/30/04)

4. PCA Period Two: 7/1/03 – 5/23/04 (prior to rates set in UE-031725 Power Cost Only Rate Case)

5. Exhibit A-1 – Power Cost Rate, Settlement Stipulation

6. Exhibit A-2 – Transmission Costs

7. Exhibit A-3 – Colstrip Fixed Costs

9. Exhibit A-4 – Production Adjustment UE-011570

10. Exhibit A-5 – Power Cost

11. Exhibit B – PCA Mechanism Calculation (7/1/03-6/30/04)

12. Exhibit D – Regulatory Assets

13. Exhibit E – Contract Adjustment (7/1/03-5/23/04)

**15. PCA Period Two: 5/24/04 – 6/30/04 (date of rates in effect per UE-031725
Power Cost Only Rate Case to the end of PCA Period 2)**

16. Exhibit A-1 – Power Cost Rate

17. Exhibit A-2 – Transmission Costs

18. Exhibit A-3 – Colstrip Fixed Costs

20. Exhibit A-4 – Production Adjustment UE-011570

21. Exhibit A-5 – Power Cost

22. Exhibit B – PCA Mechanism Calculation (7/1/03-6/30/04)

23. Exhibit D – Regulatory Assets

24. Exhibit E – Contract Adjustment

**Puget Sound Energy
PCA Mechanism Annual Report
Twelve Months Ended June 30, 2004**

POWER COST ADJUSTMENT SUMMARY

PCA Period Two - Power Costs:

Actual	\$ 897,054,793
Baseline	872,786,624
Difference	<u>\$ 24,268,169</u>
Wholesale Customers	(9,815)
Total Cost Over Baseline	<u>\$ 24,258,355</u>

Allocation of PCA Period Two - Power Costs

Company Share	\$ 22,129,177
Customer Share	<u>2,129,177</u>
Total Cost Allocated	<u>\$ 24,258,355</u>

Customer Share Including Interest

Customer Share	\$ 2,129,177
Interest	<u>16,758</u>
Total Customer share Including Interest	<u>\$ 2,145,935</u>

Puget Sound Energy
PCA Mechanism Annual Report
Twelve Months Ended June 30, 2004

Exhibit A-1 Power Cost Rate: Updated Actual 7/1/03-6/30/04				
Row				
3	Regulatory Assets (Variable)	\$	274,964,904	
4	Transmission Rate Base (Fixed)	\$	123,753,863	
5	Production Rate Base (Fixed)	\$	498,250,398	
6				
7	Net of tax rate of return	\$	896,969,165	
8			7.30%	
9				
			\$/MWh	
10	Regulatory Asset Recovery	\$	30,880,674	\$ 1.563 (c)
11	Fixed Asset Recovery-Prod Factored	\$	56,524,076	\$ 2.860 (a)
12	Fixed Asset Recovery Other	\$	15,188,534	\$ 0.769 (a)
13	501-Steam Fuel	\$	38,008,989	\$ 1.923 (c)
14	555-Purchased power	\$	696,536,631	\$ 35.245 (c)
15	557-Other Power Exp	\$	11,943,348	\$ 0.604 (a)
16	547-Fuel	\$	28,620,139	\$ 1.448 (c)
17	565-Wheeling	\$	40,738,171	\$ 2.061 (c)
18	Variable Transmission Income	\$	(3,190,788)	\$ (0.161) (c)
19	Hydro and Other Pwr.	\$	53,025,866	\$ 2.683 (a)
20	447-Sales to Others	\$	(104,104,176)	\$ (5.268) (c)
21	456-Subaccounts 12, 18,35,36	\$	(5,574,649)	\$ (0.282) (c)
22	Transmission Exp - 500KV	\$	367,182	\$ 0.019 (a)
23	Depreciation-Production	\$	37,909,016	\$ 1.918 (a)
24	Depreciation-Transmission	\$	4,887,094	\$ 0.247 (a)
25	Property Taxes-Production	\$	8,696,608	\$ 0.440 (a)
26	Property Taxes-Transmission	\$	4,466,995	\$ 0.226 (a)
27	Subtotal & Baseline Rate	\$	914,923,709	\$ 46.296 (b)
28	Revenue Sensitive Items	\$	0.955234	
29		\$	957,800,912	
30	Year Load (MWH's)		19,762,540	<- includes Firm Wholesale
31				
			Before Rev. Sensitive Items	After Rev. Sensitive Items
32	Power Cost in Rates with Revenue Sensitive Items (the adjusted baseline)			48.465
33	sum of (a) = Fixed Rate Component		9.766	10.224
34	(b) = Power Cost Rate		46.296	48.465
35	sum of (c) = Variable Power Rate Component		36.529	38.241
36				
37				
38	* Regulatory Assets are Tenaska, Encogen Fuel Buyout and BEP			

Puget Sound Energy

Power Cost Adjustment Mechanism Annual Report

PCA Period Two

Twelve Months Ended June 30, 2004

Exhibits

From 7/1/03 To 5/23/04

PCA Period 2 prior to rates approved in UE-031725 Power Cost Only Rate Case

**Puget Sound Energy
PCA Mechanism Annual Report
Twelve Months Ended June 30, 2004**

Exhibit A-1 Power Cost Rate: PCA Settlement Stipulation

Row	12ME 6/30/01			
3	\$ 284,728,294			
4	\$ 124,643,364			
5	\$ 493,777,165			
6	\$ 903,148,823			
7	7.30%			
8		Test Yr		
9		\$/MWh		Rate Year
10	\$ 31,977,178	1.677	(c)	
11	\$ 54,142,951	2.84	(a)	55,725,557
12	\$ 15,310,432	0.803	(a)	15,310,432
13	\$ 32,511,186	1.705	(c)	
14	\$ 526,980,333	27.643	(c)	
15	\$ 11,499,089	0.603	(a)	11,835,209
16	\$ 61,173,325	3.209	(c)	
17	\$ 41,435,360	2.174	(c)	
18	\$ (6,510,985)	-0.342	(c)	
19	\$ 51,597,583	2.707	(a)	53,105,787
20	\$ (37,525,193)	-1.968	(c)	
21	\$ 1,077,379	0.057	(c)	
22	\$ 342,495	0.018	(a)	352,506
23	\$ 36,265,740	1.902	(a)	37,325,792
24	\$ 4,851,654	0.254	(a)	4,851,654
25	\$ 8,343,174	0.438	(a)	8,600,747
26	\$ 4,441,860	0.233	(a)	4,441,860
27	\$ 837,913,560	43.953	(b)	191,549,544
28	0.955234			
29	\$ 877,181,741			
30	\$ 19,063,867			<-- includes Firm Wholesale
31		Before Rev. Sensit	After Rev. Sensitive Items	
32	Power Cost in Rates with Revenue Sensitive Items (the adjusted baseli	46.013		
33	sum of (a) = Fixed Rate Component	9.798	10.257	
34	(b) = Power Cost Rate	43.953	46.013	
35	sum of (c) = Variable Power Rate Component	34.155	35.756	
36				
37				
38	* Regulatory Assets are Tenaska, Encogen Fuel Buyout and BEP			

Puget Sound Energy
PCA Mechanism Annual Report
Twelve Months Ended June 30, 2004

Exhibit A-2 Transmission Costs: 7/1/03-5/23/04

Row		Date	DR (CR)-Accumulated Deferred FIT Balance		
8	Colstrip Related Transmission Assets				
9					
10	Balance at:	6/30/2001	(15,759,774)		
11	No deferred income taxes associated with the 3rd AC Intertie,				
12	Northern Intertie and BPA Transmission Assets.				
13					
14	Test Period Property Taxes on transmission Related Assets:				
15		Amount			
16	Oregon-3rd AC Intertie	\$864,624			
17	Montana-Transmission Assets	1,622,875			
18	Montana-Beneficial Use Property Taxes on BPA				
19	Transmission Assets	1,826,626			
20	Washington-Northern Intertie	127,735			
21	Total Property Taxes	\$4,441,860			
22					
23	Wheeling Expense	41,435,360			
24					
25	Transmission Plant				
26		Plant			
27		AMA 6/30/01	Accum. Dep.	Depreciation Exp.	
28	E351	Easements	685,927	264,280	17,011
29	E353	Station Equipment	1,231,131	682,186	34,964
30	E354	Towers & Fixtures	14,474,343	5,917,036	374,885
31	E355	Poles & Fixtures	49,007	39,834	774
32	E356	OH Conductors & devices	13,158,153	5,749,080	369,744
33	E359	Roads & Trails	113,968	43,839	2,872
34	COLSTRIP 1&2 TRANSMISSION	29,712,529	12,696,255	800,250	
35					
36		TRANS - COLSTRIP 3 & 4			
37	E351	Easements	1,071,124	396,585	27,314
38	E352	Structures & Improvements	478,326	188,636	11,719
39	E353	Station Equipment	17,687,015	6,706,154	578,365
40	E354	Towers & Fixtures	20,422,516	8,020,387	541,197
41	E355	Poles & Fixtures	122,619	58,220	3,298
42	E356	OH Conductors & Devices	20,015,734	8,474,189	572,450
43	E359	Roads & Trails	341,015	127,820	8,730
44	COLSTRIP 3&4 TRANSMISSION	60,138,349	23,971,991	1,743,073	
45					
46		TRANS - 3RD NW-SW INTERTIE			
47	E352	Structures & Improvements	1,276,264	183,547	22,845
48	E353	Station Equipment	31,157,075	5,529,150	716,613
49	E354	Towers & Fixtures	22,781,417	3,276,322	430,569
50	E355	Poles & Fixtures	204,200	19,787	5,268
51	E356	OH Conductors & devices	23,458,461	4,528,227	609,920
52	E359	Roads & Trails	59,215	4,141	628
53	TOTAL 3RD NW-SW INTERTIE	78,936,632	13,541,174	1,785,843	
54					
55		TRANS - NORTHERN INTERTIE			
56	E351	Easements - Whatcom	-	-	-
57	E354	Towers & Fixtures-Whatcom	5,744,097	533,604	106,840
58	E355	Poles & Fixtures-Whatcom	11,219	1,702	289
59	E356	OH Conductors & Devices-Whatcom	7,460,099	904,353	193,963
60	E355	Poles & Fixtures-Skagit	3,398,685	416,680	87,686
61	E356	OH Conductors & Devices-Skagit	5,142,699	501,239	133,710
62	TOTAL NORTHERN INTERTIE	21,756,799	2,357,578	522,488	
63					
64	Total Transmission	190,544,309	52,566,998	4,851,654	
65	Less				
66	Accumulated Depreciation	50,141,171			
67	Deferred Taxes	15,759,774			
68	Transmission Ratebase	124,643,364			

Puget Sound Energy
PCA Mechanism Annual Report
Twelve Months Ended June 30, 2004

A-3 Page 1

Exhibit A-3 Colstrip Fixed Costs: 7/1/03-5/23/04

Row

8	Revenue Requirement for Colstrip							
9		Plant	647,044,433					
10		Accumulated Depreciation	(329,162,407)					
11		Deferred Taxes	(93,634,221)					
12		Net Plant	224,247,805					
13		Rate of Return (net of Tax)	7.30%					
14		Revenue Requirement after tax	16,370,090					
15		Plant Revenue Requirement	25,184,753	(Adjusted for Federal Tax)				
16		Expenses	52,329,881					
17		Total Revenue Requirement	77,514,634	(before revenue sensitive items)				
18	Support for Revenue Requirement - Ratebase							
19	FERC	DESCRIPTION	30-Jun-00	30-Jun-01	13 MONTH AMA	ANNUITY RATE	ANNUALIZED DEPRECIATION	ACUMM. DEPR. 06/30/2001
20		COLSTRIP #1						
21	E311	Structures & Improvements	6,931,939	7,097,390	7,021,558	3.03%	212,753	4,519,382
22	E312	Boiler Plant Equipment	46,965,650	48,224,007	47,159,778	3.12%	1,471,385	30,962,573
23	E314	Turbo Generating Units	12,437,937	12,437,937	12,437,937	3.29%	409,208	8,005,683
24	E315	Accessory Electric Equip.	7,042,053	7,043,604	7,042,893	2.71%	190,862	4,440,864
25	E316	Misc. Power Plant Equip.	365,117	426,565	398,401	3.87%	15,418	215,987
26		TOTAL	73,742,696	75,229,503	74,060,567	3.11%	2,299,626	48,144,489
27		COLSTRIP #2						
28	E311	Structures & Improvements	5,317,757	5,573,640	5,456,360	3.06%	166,965	3,343,898
29	E312	Boiler Plant Equipment	39,821,935	40,460,296	40,167,714	3.05%	1,225,115	26,457,593
30	E314	Turbo Generating Units	12,178,755	12,519,462	12,363,305	3.26%	403,044	7,691,610
31	E315	Accessory Electric Equip.	4,536,518	4,592,474	4,566,828	2.69%	122,848	2,797,275
32	E316	Misc. Power Plant Equip.	365,931	427,379	399,215	3.61%	14,412	217,888
33		TOTAL	62,220,896	63,573,251	62,953,422	3.07%	1,932,384	40,508,264
34		COLSTRIP 1 & 2 COMMON						
35	E311	Structures & Improvements	30,345,256	31,983,349	31,232,556	3.16%	986,949	18,788,553
36	E312	Boiler Plant Equipment	8,623,422	8,679,337	8,653,709	3.18%	275,188	5,533,214
37	E314	Turbo Generating Units	3,918,858	3,918,858	3,918,858	3.31%	129,714	2,382,313
38	E315	Accessory Electric Equip.	2,377,984	2,420,179	2,400,840	3.07%	73,706	1,334,875
39	E316	Misc. Power Plant Equip.	6,235,545	6,561,728	6,412,227	3.82%	244,947	3,136,065
40		TOTAL	51,501,065	53,563,451	52,618,190	3.25%	1,710,504	31,175,020
41		COLSTRIP 3						
42	E311	Structures & Improvements	28,829,642	28,882,948	28,858,516	2.45%	707,034	14,566,340
43	E312	Boiler Plant Equipment	113,898,277	115,756,485	113,618,072	2.68%	3,044,964	57,262,237
44	E314	Turbo Generating Units	32,936,825	33,180,681	33,068,914	2.97%	982,147	14,166,239
45	E315	Accessory Electric Equip.	6,401,615	6,401,615	6,401,615	2.47%	158,120	2,874,151
46	E316	Misc. Power Plant Equip.	454,762	480,140	468,508	2.86%	13,399	210,034
47		TOTAL	182,521,121	184,701,869	182,415,625	2.69%	4,905,664	89,079,001
48		COLSTRIP 4						
49	E311	Structures & Improvements	26,542,394	26,595,701	26,571,269	2.54%	674,910	11,552,369
50	E312	Boiler Plant Equipment	99,709,843	100,508,440	100,142,416	2.75%	2,753,916	43,898,286
51	E314	Turbo Generating Units	27,895,777	28,602,598	28,278,638	2.94%	831,392	10,813,318
52	E315	Accessory Electric Equip.	5,589,362	5,596,707	5,593,341	2.52%	140,952	2,163,849
53	E316	Misc. Power Plant Equip.	650,784	676,163	664,531	2.79%	18,540	277,867
54		TOTAL	160,388,160	161,979,609	161,250,195	2.74%	4,419,710	68,705,689
55		COLSTRIP 3 & 4 COMMON						
56	E311	Structures & Improvements	71,951,771	72,034,845	71,996,769	2.33%	1,677,525	35,209,226
57	E312	Boiler Plant Equipment	20,855,440	20,915,298	20,887,863	2.48%	518,019	10,585,040
58	E314	Turbo Generating Units	274,553	274,553	274,553	2.62%	7,193	125,852
59	E315	Accessory Electric Equip.	7,706,935	7,748,971	7,729,705	2.31%	178,556	3,422,068
60	E316	Misc. Power Plant Equip.	4,861,282	5,098,460	4,989,753	2.79%	139,214	2,083,870
61		TOTAL	105,649,981	106,072,127	105,878,643	2.38%	2,520,507	51,426,056
62		COLSTRIP 1-4 COMMON						
63	E316	Misc. Power Plant Equip.	253,865	253,865	253,865	2.46%	6,245	123,888
64		TOTAL	253,865	253,865	253,865	2.46%	6,245	123,888
65		COLSTRIP COMMON FERC ADJ.	8,316,981					
66		COLSTRIP DEF DEPR FERC ADJ.	2,449,668					
67		Total Plant and Acc. Deprec.	647,044,433				17,794,640	329,162,407

Puget Sound Energy
PCA Mechanism Annual Report
Twelve Months Ended June 30, 2004

Exhibit A-3 Colstrip Fixed Costs

76	Support for Revenue Requirement - Expenses		
77			Amount before
78	Order	Description	Prod. Adj.
79	50004011	1&2 Sup & Eng	76,685
80	50005011	3&4 Sup & Eng	108,581
81	50204001	1&2 Steam Exp	1,217,034
82	50205001	3&4 Steam Exp	624,831
83	50504001	1&2 Elec Exp	(208,933)
84	50505001	3&4 Elec Exp	(223,913)
85	50604001	1&2 Misc Exp	3,320,269
86	50605001	3&4 Misc Exp	2,515,968
87	50605002	3&4 Steam	(2,399)
88	50704001	1&2 Rents	95,991
89	50705001	3&4 Rents	131,692
90	51004001	1&2 Maint Supv	669,151
91	51005001	3&4 Maint Supv	539,405
92	51104001	1&2 Maint of Struct	405,072
93	51105001	3&4 Maint of Struct	373,938
94	51204001	1&2 Maint of Boiler	4,902,128
95	51205001	3&4 Maint of Boiler	5,967,278
96	51304001	1&2 Maint of E Plant	(178,069)
97	51305001	3&4 Maint of E Plant	705,533
98	51404001	1&2 Maint of Misc	4,578,888
99	51405001	3&4 Maint of Misc	1,159,196
100		Property Taxes-Montana	6,027,509
101		Electric Energy Tax	1,729,406
102	403xxxxx	Depreciation	17,794,640
103			<u>\$52,329,881</u>

**Puget Sound Energy
PCA Mechanism Annual Report
Twelve Months Ended June 30, 2004**

Exhibit A-4 Production Adjustment UE-011570: 7/1/03-5/23/04

**PRODUCTION ADJUSTMENT
FOR THE TWELVE MONTHS ENDED JUNE 30, 2001
GENERAL RATE INCREASE**

LINE NO.	DESCRIPTION	PRO FORMA AMOUNT	PRODUCTION 2.84%	FIT 35%
1	PRODUCTION WAGE INCREASE			
2	PURCHASED POWER	0	0	0
3	OTHER POWER SUPPLY	0	0	.0
4	4 TOTAL PRODUCTION WAGE INCREASE	0	0	0
5				
6	6 PAYROLL OVERHEADS	783,939	(22,264)	7,792
7	7 PROPERTY INSURANCE	1,026,555	(29,154)	10,204
8	8 TOTAL A&G	1,810,494	(51,418)	17,996
9				
10	10 DEPRECIATION PRODUCTION PROPERTY			
11	11 DEPRECIATION / AMORTIZATION	37,325,792	(1,060,052)	263,024
12	12 PURCHASED POWER	3,526,620	(100,156)	35,055
13	13 FUEL	0	0	0
14	14 TOTAL	40,852,412	(1,160,209)	298,079
15				
16	16 TAXES OTHER-PRODUCTION PROPERTY			
17	17 PROPERTY TAXES - WASHINGTON	3,041,963	(86,392)	30,237
18	18 PROPERTY TAXES - MONTANA	6,027,509	(171,181)	59,913
19	19 ELECTRIC ENERGY TAX	1,729,406	(49,115)	17,190
20	20 PAYROLL TAXES	630,032	(17,893)	6,263
21	21 TOTAL TAXES OTHER	11,428,910	(324,581)	113,603
22				
23	23 INCREASE(DECREASE) INCOME		1,536,208	
24	24 INCREASE(DECREASE) FIT			429,678
25	25 INCREASE(DECREASE) NOI			1,106,530
26				
27	27 RATE BASE:			
28	28 PRODUCTION PROPERTY	1,065,115,283		
29	29 COLSTRIP COMMON FERC ADJ.	8,316,981		
30	30 COLSTRIP DEF DEPR FERC ADJ.	2,449,668		
31	31 ENCOGEN ACQUISITION ADJ.	60,574,557		
32	32 BPA POWER EXCHANGE INVESTMENT	51,135,941	sum of L32 thru	After Production Adj.
33	33 TENASKA REGULATORY ASSET	229,424,000	L34	284,728,294
34	34 CABOT OIL REGULATORY ASSET	12,491,000		
35	35 LESS ACCUM. DEPRECIATION	(519,770,787)		
36	36 LESS ACCUM. AMORTIZATION	(3,186,245)		
37	37 NET PRODUCTION PROPERTY	906,550,398		
38				
39	39 DEDUCT:			
40	40 LIBR. DEPREC. PRE 1981 (EOP)	(5,250,238)		
41	41 LIBR. DEPREC. POST 1980 (EOP)	(94,132,216)		
42	42 OTHER DEF. TAXES (EOP)	(17,930,541)		
43	43 ADJUSTMENT TO RATE BASE	789,237,403	(22,414,342)	766,823,061
	Plus Snoqualmie CWIP			Less Regulatory Assets
				482,094,767
				11,682,398
				493,777,165

**Puget Sound Energy
PCA Mechanism Annual Report
Twelve Months Ended June 30, 2004**

Exhibit A-5 Power Costs UE-011570: 7/1/03-5/23/04
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**POWER COSTS
FOR THE TWELVE MONTHS ENDED JUNE 30, 2001
GENERAL RATE INCREASE**

LINE NO.	DESCRIPTION	ACTUAL	PROFORMA	INCREASE (DECREASE)
1	PRODUCTION EXPENSES:			
2	FUEL	\$ 297,843,394	\$ 93,684,510	\$ (204,158,884)
3	PURCHASED AND INTERCHANGED	2,226,570,459	534,528,072	(1,692,042,387)
4	WHEELING	31,116,222	41,435,360	10,319,138
5	OTHER POWER SUPPLY EXPENSES	46,736,543	51,597,585	4,861,042
6	TRANS. EXP. INCL. 500KV O&M	352,506	342,495	(10,011)
7	SALES FOR RESALE	(1,766,314,721)	(37,525,193)	1,728,789,528
8	PURCHASES/SALES OF NON-CORE GAS	(22,281,093)	1,077,379	23,358,472
9	WHEELING FOR OTHERS	(7,762,159)	(10,902,262)	(3,140,103)
10	SUBTOTAL	\$ 806,261,151	\$ 674,237,946	\$ (132,023,205)
11				
12	LESS: SALES FOR RESALE	1,766,314,721	37,525,193	(1,728,789,528)
13	LESS: WHEELING FOR OTHERS	7,762,159	10,902,262	3,140,103
14	SCH. 94 - RES./FARM CREDIT	(46,773,115)	-	46,773,115
15	TOTAL	\$ 2,533,564,916	\$ 722,665,401	\$ (1,810,899,515)
16	TRANS. EXP. INCL. 500KV O&M	(352,506)		
17	PURCHASES/SALES OF NON-CORE GAS	22,281,093		
18	POWER COSTS PER G/L	\$ 2,555,493,503		
19	INCREASE(DECREASE) INCOME			\$ 1,810,899,515
20				
21	INCREASE(DECREASE) FIT @	35%		633,814,830
22	INCREASE(DECREASE) NOI			\$ 1,177,084,685

Schedule B: Monthly Power Costs -- PCA PERIOD 2
Derived from Original PCA Exhibit B
Subject to PCA Sharing
per UE-011570

Row	Jul-03	Aug-03	Sep-03	Oct-03	Nov-03	Dec-03	Jan-04	Feb-04	Mar-04	Apr-04	May-04	Jun-04	Period to Date
6													
7	\$ 4,643,796	\$ 4,643,796	\$ 4,643,796	\$ 4,643,796	\$ 4,643,796	\$ 4,643,796	\$ 4,643,796	\$ 4,643,796	\$ 4,643,796	\$ 4,643,796	\$ 4,643,796	\$ 4,643,796	\$ 59,226,726
8	\$ 11,318,666	\$ 11,318,666	\$ 11,318,666	\$ 11,318,666	\$ 11,318,666	\$ 11,318,666	\$ 11,318,666	\$ 11,318,666	\$ 11,318,666	\$ 11,318,666	\$ 11,318,666	\$ 10,492,391	\$ 133,781,988
9	\$ 15,962,462	\$ 15,962,462	\$ 15,962,462	\$ 15,962,462	\$ 15,962,462	\$ 15,962,462	\$ 15,962,462	\$ 15,962,462	\$ 15,962,462	\$ 15,962,462	\$ 15,962,462	\$ 16,920,727	\$ 193,008,724
10													
11	\$ 3,100,043	\$ 3,147,825	\$ 3,187,664	\$ 3,135,110	\$ 2,774,476	\$ 3,757,607	\$ 3,009,836	\$ 2,884,460	\$ 3,256,802	\$ 2,654,092	\$ 4,676,993	\$ 2,424,081	\$ 38,008,989
12	\$ 4,115,712	\$ 3,757,239	\$ 3,463,707	\$ 3,743,454	\$ 2,130,598	\$ 1,247,014	\$ 2,594,321	\$ 1,038,553	\$ 1,100,455	\$ 1,416,347	\$ 2,735,341	\$ 1,277,398	\$ 28,620,139
13	\$ (552,347)	\$ 99,033	\$ 105,440	\$ (587,437)	\$ 446,548	\$ (1,125,498)	\$ (1,567,866)	\$ (659,578)	\$ (1,105,289)	\$ (750,230)	\$ (219,267)	\$ 321,842	\$ (5,574,649)
14	\$ 56,232,242	\$ 53,192,823	\$ 54,316,656	\$ 59,964,136	\$ 65,386,037	\$ 78,087,680	\$ 77,442,485	\$ 61,919,000	\$ 59,325,532	\$ 48,737,881	\$ 36,101,033	\$ 45,831,126	\$ 896,536,631
15	\$ (19,155,882)	\$ (17,254,577)	\$ (15,732,024)	\$ (12,645,070)	\$ (6,930,791)	\$ (10,150,427)	\$ (10,345,518)	\$ (13,367)	\$ (1,128,066)	\$ (2,790,298)	\$ (4,762,983)	\$ (3,195,552)	\$ (104,104,176)
16	\$ 3,251,949	\$ 3,628,617	\$ 3,291,053	\$ 3,270,992	\$ 3,219,138	\$ 3,452,807	\$ 3,452,807	\$ 3,363,088	\$ 3,295,374	\$ 3,683,892	\$ 3,412,432	\$ 3,538,795	\$ 40,738,171
17	\$ (118,807)	\$ (116,759)	\$ (131,622)	\$ (119,959)	\$ (131,622)	\$ (229,585)	\$ (305,449)	\$ (285,770)	\$ (426,956)	\$ (392,243)	\$ (541,070)	\$ (233,498)	\$ (3,190,788)
18	\$ 46,872,910	\$ 46,354,201	\$ 48,512,737	\$ 56,769,563	\$ 67,007,337	\$ 74,746,444	\$ 74,280,616	\$ 68,246,346	\$ 64,317,852	\$ 52,559,240	\$ 41,402,879	\$ 49,964,192	\$ 691,034,317
19													
20	\$ 2,573,389	\$ 2,573,389	\$ 2,573,389	\$ 2,573,389	\$ 2,573,389	\$ 2,573,389	\$ 2,573,389	\$ 2,573,389	\$ 2,573,389	\$ 2,573,389	\$ 2,573,389	\$ 2,573,389	\$ 30,860,688
21													
22	\$ 65,408,761	\$ 64,890,052	\$ 67,048,588	\$ 75,305,414	\$ 85,543,188	\$ 93,282,295	\$ 92,816,467	\$ 86,782,197	\$ 82,863,703	\$ 71,095,091	\$ 60,439,646	\$ 69,458,308	\$ 914,923,709
23													
24													
25	\$ (210,839)	\$ (210,522)	\$ (208,979)	\$ (218,184)	\$ (218,736)	\$ (180,763)	\$ (406,439)	\$ (239,312)	\$ (188,081)	\$ (311,396)	\$ (45,755)	\$ (235,593)	\$ (2,654,599)
26	\$ (131,515)	\$ (129,921)	\$ (169,879)	\$ (182,391)	\$ (249,874)	\$ (250,803)	\$ (415,607)	\$ (427,574)	\$ (451,431)	\$ (1,188,778)	\$ 533,403	\$ (91)	\$ (3,064,461)
27													
28													
29													
30													
31	\$ (1,012,488)	\$ (1,012,488)	\$ (1,012,488)	\$ (1,012,488)	\$ (1,012,488)	\$ (1,012,488)	\$ (1,012,488)	\$ (1,012,488)	\$ (1,012,488)	\$ (1,012,488)	\$ (1,012,488)	\$ (1,012,488)	\$ (12,149,856)
32	\$ (1,354,842)	\$ (1,352,931)	\$ (1,391,346)	\$ (1,413,063)	\$ (1,461,098)	\$ (1,444,054)	\$ (1,834,534)	\$ (1,679,374)	\$ (1,632,000)	\$ (2,512,562)	\$ (524,840)	\$ (1,248,172)	\$ (17,868,916)
33	\$ 64,053,919	\$ 63,557,121	\$ 65,657,242	\$ 73,892,351	\$ 84,062,090	\$ 91,838,241	\$ 90,981,933	\$ 85,102,823	\$ 81,221,703	\$ 68,582,429	\$ 59,914,806	\$ 68,210,135	\$ 897,054,793
34													
35	\$ 1,470,447,440	\$ 1,435,859,393	\$ 1,421,484,209	\$ 1,569,218,046	\$ 1,869,741,554	\$ 2,095,904,354	\$ 2,058,479,280	\$ 1,788,217,034	\$ 1,755,299,661	\$ 1,501,276,221	\$ 1,462,148,455	\$ 1,394,464,134	\$ 19,762,539,781
36	\$ 64,630,576	\$ 63,110,328	\$ 62,478,495	\$ 66,971,841	\$ 82,180,751	\$ 89,484,104	\$ 90,476,340	\$ 78,597,503	\$ 77,190,686	\$ 66,985,594	\$ 65,152,533	\$ 64,567,873	\$ 872,766,624
37													
38	\$ (576,657)	\$ 426,793	\$ 3,178,747	\$ 4,920,510	\$ 1,881,339	\$ 2,354,137	\$ 505,594	\$ 6,505,320	\$ 4,071,017	\$ 2,596,835	\$ (5,237,728)	\$ 3,642,262	\$ 24,268,189
39													
40													
41													
42													
43	\$ (576,424)	\$ 426,621	\$ 3,177,461	\$ 4,918,520	\$ 1,880,579	\$ 2,353,185	\$ 505,389	\$ 6,502,689	\$ 4,069,371	\$ 2,595,785	\$ (5,235,609)	\$ 3,640,789	\$ 24,258,355
44	\$ (576,424)	\$ 426,621	\$ 3,177,461	\$ 4,918,520	\$ 1,880,579	\$ 2,353,185	\$ 505,389	\$ 6,502,689	\$ 4,069,371	\$ 2,595,785	\$ (5,235,609)	\$ 3,640,789	\$ 24,258,355
45	\$ 576,424	\$ (426,621)	\$ (3,177,461)	\$ (4,918,520)	\$ (1,880,579)	\$ (2,353,185)	\$ (505,389)	\$ (6,502,689)	\$ (4,069,371)	\$ (2,595,785)	\$ 5,235,609	\$ (3,640,789)	\$ (24,258,355)
46													
47	\$ (576,424)	\$ (149,803)	\$ 3,027,658	\$ 7,946,178	\$ 9,826,756	\$ 12,179,941	\$ 12,885,330	\$ 19,188,019	\$ 23,257,390	\$ 25,853,175	\$ 20,617,565	\$ 24,258,355	\$ 24,258,355
48	\$ 576,424	\$ 149,803	\$ (3,027,658)	\$ (7,946,178)	\$ (9,826,756)	\$ (12,179,941)	\$ (12,885,330)	\$ (19,188,019)	\$ (23,257,390)	\$ (25,853,175)	\$ (20,617,565)	\$ (24,258,355)	\$ (24,258,355)
49													
50													
51													

Note: This schedule was derived from original PCA collaborative exhibit B

**Puget Sound Energy
PCA Mechanism Annual Report
Twelve Months Ended June 30, 2004**

Exhibit D: Regulatory Assets 7/1/03-5/23/04

Row	Cabinet Buyout	G/L Acct #182300171	Interest	Amort	Balance	PCA (July-June)		Return 7.30%	Pre Tax Return	35% Return Pre-tax	Monthly Return Pre-tax
						Amortization	Ratebase (AMA)				
4											
5											
6		12,588,000	709,000	(312,000)	12,985,000						
7			720,000	(741,000)	12,964,000						
8			548,000	(1,070,000)	12,442,000						
9				(1,409,000)	11,033,000						
10				(1,768,000)	9,265,000						
11				(2,163,000)	7,102,000						
12				(2,614,000)	4,488,000						
13				(3,078,000)	1,410,000						
14				(1,410,000)	-						
15											
16	Tenaska	G/L Acct #182300001									
17			8,754,000	(1,952,000)	221,802,000						
18			8,795,000	(3,863,000)	226,734,000						
19			8,849,000	(5,463,000)	230,120,000						
20			8,838,000	(7,382,000)	231,576,000						
21			6,562,000	(9,494,000)	228,644,000						
22			-	(11,924,000)	216,720,000						
23			-	(14,744,000)	201,976,000						
24			-	(17,908,000)	184,068,000						
25			-	(20,615,000)	163,453,000						
26			-	(24,343,000)	139,110,000						
27			-	(28,272,000)	110,838,000						
28		G/L Acct #182300011									
29											
30											
31											
32	BEP	G/L Acct #182300071 and #182300081									
33					54,662,561						
34				(3,526,620)	51,135,941						
35				(3,526,620)	47,609,321						
36				(3,526,620)	44,082,701						
37				(3,526,620)	40,556,081						
38				(3,526,620)	37,029,461						
39				(3,526,620)	33,502,841						
40				(3,526,620)	29,976,221						
41											
42											
43											
44											
45											
46											
47											
48											
49											

From	To	Amortization	AMA Ratebase	Return	Return Pre-tax	Monthly Return Pre-tax
Jul-02	Jun-03	\$ (14,090,620)	\$ 291,579,399	\$ 21,285,297	\$ 32,746,610	\$ 2,728,884
Jul-03	Jun-04	\$ (18,449,120)	\$ 274,964,904	\$ 20,072,437	\$ 30,880,674	\$ 2,573,390
Jul-04	Jun-05	\$ (21,818,120)	\$ 254,878,867	\$ 18,606,157	\$ 28,624,857	\$ 2,385,405
Jul-05	Jun-06	\$ (25,176,620)	\$ 231,331,164	\$ 16,887,176	\$ 25,980,270	\$ 2,165,022
Jul-06	Jun-07	\$ (28,851,620)	\$ 204,446,336	\$ 14,924,583	\$ 22,960,896	\$ 1,913,408
Jul-07	Jun-08	\$ (32,078,120)	\$ 173,742,383	\$ 12,683,194	\$ 19,512,606	\$ 1,626,050

Exhibit E - Contract Adjustment 7/1/03-5/23/04

E -Section 1

Row	Limit - Rate or Total Cost per UE-011570 (X)	Effective 4/1/04 UE- 031725	Rate till 4/04			
			Rate till 4/04	Rate till 4/04	Rate till 4/04	Rate till 4/04
			Replacement Energy Cost for Displ NUGS \$	Actual Rate \$/kwh (Y)	Rate Change (Z = Y - X)	Adjust for Positive Differences (A)
7	CONTRACTS					
8	Baker Replacement					
9	\$	0.0670	\$	0.0670	\$	20,018
10	\$	0.0282	\$	0.0294	\$	320,622
11	BPA WNP3 Return					
12	\$	0.0514	\$	0.0411	\$	-
13	CSPE					
14	Mid-Columbia					
15	Canadian Entitlement and CEA-EA					
16	\$	29,382,000	\$	31,680,988	\$	708,584
17	MPC Firm Contract-Energy					
18	PPL Contract 15 yr					
19	Supplemental Entitlement Cap					
20	\$	0.0783	\$	0.0787	\$	23,482
20A	\$	0.0434	\$	0.0437	\$	6,364
21	WWP Contract 15 yr					
22	PG&E Exchange Storage Acctg.					
23	\$	0.0300	\$	0.0317	\$	-
24	\$	0.0749	\$	0.0755	\$	10,982
25	\$	0.0610	\$	0.0614	\$	47,195
26	\$	0.0437	\$	0.0439	\$	-
27	\$	0.0660	\$	0.0678	\$	317,639
28	\$	0.0553	\$	0.0568	\$	10,935
29	\$	0.0282	\$	0.0376	\$	1,910
30	QF PERC Puyallup					
31a	\$	0.1072	\$	0.1076	\$	11,818
31b	\$	0.0636	\$	0.0639	\$	1,660
32	\$	0.0818	\$	0.0845	\$	801,780
33	\$	0.0592	\$	0.0605	\$	40,006
34	\$	0.0514	\$	0.0547	\$	-
35	\$	0.0318	\$	0.0336	\$	735,452
36	\$	0.0750	\$	0.0750	\$	-
37	\$	0.0750	\$	0.0750	\$	-
38	Skookumchuck					
39	TOTAL		Reverse sign and enter on line 42			\$ 3,058,446
40	To Exhibit B line 22					\$ (3,058,446)

Exhibit E - Contract Adjustment 7/1/03-5/23/04

E -Section 2

Row	Limit - Rate or Total Cost per UE-011570 (X)	Effective 4/1/04 UE- 031725	Rate 5/04 fwd	Rate 5/04 fwd	Rate 5/04 fwd	Rate 5/04 fwd
			Total Cost +	Replacement Energy Cost for Displ NUGS \$	Actual Rate \$/kwh (Y)	Rate Change (Z = Y - X)
7	CONTRACTS					
8	Baker Replacement					
9	\$ 0.0670	\$ 0.0670	\$ 235,200	\$ 0.0670	\$ -	\$ -
10	\$ 0.0282	\$ 0.0294	\$ 838,340	\$ 0.0291	\$ (0.0003)	\$ -
11	BPA WNP-3 Exchange Power					
11	BPA WNP3 Return					
12	\$ 0.0514	\$ 0.0411	\$ 858,725	\$ 0.0411	\$ (0.0000)	\$ -
13	CSPE					
14	Mid-Columbia					
15	Canadian Entitlement and CEA-EA					
16	\$ 29,382,000	\$ 31,680,988	\$ 7,300,440			\$ -
17	MPC Firm Contract-Demand					
17	MPC Firm Contract-Energy					
18	PPL Contract 15 yr					
19	Supplemental Entitlement Cap					
20	\$ 0.0783	\$ 0.0787	\$ -	\$ -	\$ (0.0787)	\$ -
20A	\$ 0.0434	\$ 0.0437	\$ 444,480	\$ 0.0443	\$ 0.0006	\$ 6,016
21	WWP Contract 15 yr					
22	PG&E Exchange Storage Acctg.					
23	\$ 0.0300	\$ 0.0317	\$ 29,104	\$ 0.0283	\$ (0.0034)	\$ -
24	\$ 0.0749	\$ 0.0755	\$ 1,409,548	\$ 0.0754	\$ (0.0001)	\$ -
25	\$ 0.0610	\$ 0.0614	\$ -	\$ -	\$ (0.0614)	\$ -
26	\$ 0.0437	\$ 0.0439	\$ 6,820,515	\$ 0.0438	\$ (0.0001)	\$ -
27	\$ 0.0660	\$ 0.0678	\$ -	\$ -	\$ (0.0678)	\$ -
28	\$ 0.0553	\$ 0.0568	\$ 6,190,295	\$ 0.0567	\$ (0.0001)	\$ -
29	\$ 0.0282	\$ 0.0376	\$ 25,806	\$ 0.0348	\$ (0.0028)	\$ -
30	QF PERC Puyallup					
31a	\$ 0.1072	\$ 0.1076	\$ -	\$ -	\$ (0.1076)	\$ -
31b	\$ 0.0636	\$ 0.0639	\$ 2,208,552	\$ 0.0638	\$ (0.0001)	\$ -
32	\$ 0.0818	\$ 0.0845	\$ -	\$ -	\$ (0.0845)	\$ -
33	\$ 0.0592	\$ 0.0605	\$ 10,932,846	\$ 0.0454	\$ (0.0151)	\$ -
34	\$ 0.0514	\$ 0.0547	\$ 2,263	\$ 0.0336	\$ (0.0211)	\$ -
35	\$ 0.0318	\$ 0.0336	\$ 10,636,920	\$ 0.0335	\$ (0.0001)	\$ -
36	\$ 0.0750	\$ 0.0750	\$ 1,947,750	\$ 0.0750	\$ -	\$ -
37	\$ 0.0750	\$ 0.0750	\$ 354,837	\$ 0.0750	\$ -	\$ -
38	Skookumchuck					
39	TOTAL					
40	To Exhibit B line 22					
						Reverse sign and enter on line 42 \$ 6,016
						\$ (6,016)

Puget Sound Energy

Power Cost Adjustment Mechanism Annual Report

PCA Period Two

Twelve Months Ended June 30, 2004

Exhibits

From 5/24/04 To 6/30/04

Docket No. UE-031725 Power Cost Only Rate Case

PUGET SOUND ENERGY
PCA Mechanism Annual Report
Twelve Months Ended June 30, 2004

Exhibit No. ___(BAL-3)
17 of 25

Per Docket UE-031725- PCORC
Reflecting Final Order No. 14

Exhibit A-1 Power Cost Rate: 5/24/04-6/30/04

Row		Test Year			
6	Regulatory Assets (Variable)	\$257,882,750			
7	Transmission Rate Base (Fixed)	115,844,514			
8	Production Rate Base (Fixed)	538,025,904			
9		<u>\$911,753,168</u>			
10	Net of tax rate of return	7.30%			
11					
12			Test Yr	Baseline	
13			\$/MWh	Rate	Rate Year(1)
14	Regulatory Asset Recovery	\$ 28,962,216	\$ 1.503	\$ 1.503	(c)
15	Fixed Asset Recovery-Prod Factored	60,424,448	\$ 3.135	\$ 3.215	(a)
16	Fixed Asset Recovery Other	13,010,230	\$ 0.675	\$ 0.716	(a)
17	501-Steam Fuel	36,168,277	\$ 1.877	\$ 1.877	(c)
16a	555-Purchased power (from PSE Rebuttal Filing)	537,755,568	\$ 27.904	\$ 27.904	(c)
16b	555 - Commission Adjustment of Tenaska	(9,921,067)	\$ (0.515)	\$ (0.515)	(c)
20	557-Other Power Exp	12,557,182	\$ 0.652	\$ 0.652	(a)
21	547-Fuel	83,984,075	\$ 4.358	\$ 4.358	(c)
22	565-Wheeling	41,908,728	\$ 2.175	\$ 2.175	(c)
23	Variable Transmission Income	(3,739,245)	\$ (0.194)	\$ (0.194)	(c)
24	Hydro and Other Pwr.	50,816,136	\$ 2.637	\$ 2.637	(a)
25	447-Sales to Others	(23,172,693)	\$ (1.202)	\$ (1.202)	(c)
	456-Subaccounts 00012 &				
26	00018 and 00035 & 00036	(213,070)	\$ (0.011)	\$ (0.011)	(c)
27	Transmission Exp - 500KV	486,083	\$ 0.025	\$ 0.025	(a)
28	Depreciation-Production	41,619,829	\$ 2.160	\$ 2.178	(a)
29	Depreciation-Transmission	4,858,427	\$ 0.252	\$ 0.265	(a)
30	Property Taxes-Production	9,294,422	\$ 0.482	\$ 0.482	(a)
31	Property Taxes-Transmission	4,603,036	\$ 0.239	\$ 0.239	(a)
32	Subtotal & Baseline Rate	\$ 889,402,581	\$ 46.151	\$ 46.303	(b)
33	Revenue Sensitive Items	0.9554723			
34		<u>\$ 930,851,247</u>			
35	Test Year Load (MWH's)	19,271,717	<-- includes Firm Wholesale		
36		<u>Before Rev. Sensitive Items</u>	<u>After Rev. Sensitive Items</u>		
	Power Cost in Rates with				
	Revenue Sensitive Items (the				
37	adjusted baseline		48.460		
38	sum of (a) = Fixed Rate Component	10.409	10.894		
39	(b) = Power Cost Rate	46.303	48.460		
40	sum of (c) = Variable Power Rate	35.894	37.566		
41	Component				

(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.

Per Docket No. UE-031725-PCORC
Reflecting Final Order No. 14

Exhibit A-2 Transmission Rate Base 5/24/04-6/30/04

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

Per Docket No. UE-031725- PCORC
 Reflecting Final Order No. 14

Exhibit A-3 Colstrip Fixed Costs: 5/24/04-6/30/04

Row

Revenue Requirement for Colstrip		
6	Plant	665,037,750
7	Accumulated Depreciation	350,886,264
8	Deferred Taxes at 6/30/2003	(69,544,352)
9	Net Plant	946,379,662
10	Rate of Return (net of Tax)	7.30%
11	Revenue Requirement after tax	69,085,715
12	Plant Revenue Requirement	106,285,716 (Adjusted for Federal Tax)
13	Expenses	51,508,900
14	Total Revenue Requirement	157,794,616 (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)

**Per Docket No. UE-031725- PCORC
 Reflecting Final Order No. 14**

Exhibit A-3 Colstrip Fixed Costs: 5/24/04-6/30/04

Row	Order	Description	Amount before Prod. Adj.
67			
68			
69			
70		Support for Revenue Requirement - Expenses	
71			
72			
73	50004011	1&2 Sup & Eng - Steam Ope	\$ 154,359
74	50004012	1&2 Sup & Eng - Steam Ope	-
75	50005011	3&4 Sup & Eng - Steam Ope	91,158
76	50005012	3&4 Sup & Eng - Steam Ope	408
77	50204001	1&2 Steam Exp - Steam Gen Op	2,442,639
78	50205001	3&4 Steam Exp - Steam Gen Op	1,462,735
79	50504001	1&2 Elec Exp - Steam Gen	66,930
80	50505001	3&4 Elec Exp - Steam Gen	(321,323)
81	50604001	1&2 Misc Exp - Steam Gen	678,093
82	50605001	3&4 Misc Exp - Steam Gen	2,510,641
83	50605002	3&4 Steam - Housing	-
84	50704001	1&2 Rents - Steam Gen Oper	(4,566)
85	50705001	3&4 Rents - Steam Gen Oper	34,871
86	51004001	1&2 Maint Supv - Steam Gen	202,672
87	51005001	3&4 Maint Supv - Steam Gen	318,282
88	51104001	1&2 Maint of Struct - Stm Gen	416,254
89	51105001	3&4 Maint of Struct - Stm Gen	558,734
90	51204001	1&2 Maint of Boiler - Stm Gen	5,307,367
91	51205001	3&4 Maint of Boiler - Stm Gen	5,059,679
92	51304001	1&2 Maint of E Plant - Stm G	502,756
93	51305001	3&4 Maint of E Plant - Stm G	2,305,731
94	51404001	1&2 Maint of Misc - Stm Gen	819,435
95	51405001	3&4 Maint of Misc - Stm Gen	572,297
96		Property Taxes-Montana	8,348,335
97		Electric Energy Tax	1,717,910
98	403xxxxx	Depreciation	18,263,504
99			<u>\$ 51,508,900</u>

Puget Sound Energy
PCA Mechanism Annual Report
Twelve Months Ended June 30, 2004

Exhibit No. ___ (BAL-3)
21 of 25

Per UE-031725-PCORC
Reflecting Order No. 14

Exhibit A-4 Production Adjustment: 5/24/04-6/30/04

PRODUCTION ADJUSTMENT
TWELVE MONTHS ENDED JUNE 30, 2003

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
Twelve Months Ended June 30, 2004

Exhibit No. ___(BAL-3)
22 of 25

Per UE-031725-PCORC
Reflecting Final Order No. 14

Exhibit A-5 Power Costs: 5/24/03-6/30/04

**POWER COST
TWELVE MONTHS ENDED JUNE 30, 2003**

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
Twelve Months Ended June 30, 2004

Schedule B: Monthly Power Costs -- PCA PERIOD 2
Derived from Original PCA Exhibit B
Subject to PCA Sharing
per UE-011570

Row		Jul-03	Aug-03	Sep-03	Oct-03	Nov-03	Dec-03	Jan-04	Feb-04	Mar-04	Apr-04	May-04	Jun-04	Period to Date
6	Return on Fixed RB	\$ 4,643,796	\$ 4,643,796	\$ 4,643,796	\$ 4,643,796	\$ 4,643,796	\$ 4,643,796	\$ 4,643,796	\$ 4,643,796	\$ 4,643,796	\$ 4,643,796	\$ 4,643,796	\$ 4,643,796	\$ 59,226,726
7	Other Fixed Costs	\$ 11,318,666	\$ 11,318,666	\$ 11,318,666	\$ 11,318,666	\$ 11,318,666	\$ 11,318,666	\$ 11,318,666	\$ 11,318,666	\$ 11,318,666	\$ 11,318,666	\$ 11,318,666	\$ 11,318,666	\$ 133,781,998
8	Subtotal Fixed Costs	\$ 15,962,462	\$ 15,962,462	\$ 15,962,462	\$ 15,962,462	\$ 15,962,462	\$ 15,962,462	\$ 15,962,462	\$ 15,962,462	\$ 15,962,462	\$ 15,962,462	\$ 15,962,462	\$ 15,962,462	\$ 193,008,724
9	Total Variable Component Actual													
10	FERC Acct.													
11	Steam Oper. Fuel	\$ 3,100,043	\$ 3,147,825	\$ 3,187,664	\$ 3,135,110	\$ 2,774,476	\$ 3,757,607	\$ 3,009,836	\$ 2,884,460	\$ 3,256,802	\$ 2,654,092	\$ 4,676,983	\$ 2,424,081	\$ 38,008,989
12	Other Pwr Gen Fuel	\$ 4,115,712	\$ 3,757,239	\$ 3,463,707	\$ 3,743,454	\$ 2,130,598	\$ 1,247,014	\$ 2,594,321	\$ 1,038,553	\$ 1,100,455	\$ 1,416,347	\$ 2,735,341	\$ 1,277,398	\$ 28,620,139
13	Other Elec Revenues	\$ (52,347)	\$ 99,033	\$ 105,440	\$ (587,437)	\$ 446,548	\$ (1,125,498)	\$ (1,567,866)	\$ (659,578)	\$ (659,578)	\$ (750,230)	\$ (219,267)	\$ 321,842	\$ (5,574,649)
14	Purchase Power	\$ 66,232,242	\$ 53,192,823	\$ 54,316,866	\$ 59,984,136	\$ 65,388,037	\$ 78,087,680	\$ 77,442,485	\$ 61,919,000	\$ 59,325,532	\$ 48,737,681	\$ 36,101,033	\$ 45,831,126	\$ 696,536,631
15	Sales to Other Util	\$ (19,155,882)	\$ (17,254,522)	\$ (15,732,024)	\$ (12,645,070)	\$ (6,930,791)	\$ (10,150,427)	\$ (10,345,518)	\$ (13,387)	\$ (1,128,066)	\$ (2,790,298)	\$ (4,782,583)	\$ (3,195,552)	\$ (104,104,176)
16	Wheeling	\$ 3,251,949	\$ 3,529,617	\$ 3,291,063	\$ 3,270,982	\$ 3,219,138	\$ 3,452,807	\$ 3,663,088	\$ 3,603,068	\$ 3,286,374	\$ 3,663,892	\$ 3,412,432	\$ 3,538,795	\$ 40,738,171
17	Transmission Revenue	\$ (118,807)	\$ (116,759)	\$ (119,959)	\$ (131,622)	\$ (229,585)	\$ (289,070)	\$ (305,449)	\$ (285,770)	\$ (426,956)	\$ (392,243)	\$ (541,070)	\$ (233,498)	\$ (3,190,768)
18	Subtotal Variable Components	\$ 46,872,910	\$ 46,354,201	\$ 48,512,737	\$ 56,789,563	\$ 67,007,337	\$ 74,746,444	\$ 74,280,616	\$ 68,246,346	\$ 84,317,852	\$ 52,559,240	\$ 41,402,879	\$ 49,964,192	\$ 691,034,317
19	Regulatory Assets (Return on RB portion only)	\$ 2,573,389	\$ 2,573,389	\$ 2,573,389	\$ 2,573,389	\$ 2,573,389	\$ 2,573,389	\$ 2,573,389	\$ 2,573,389	\$ 2,573,389	\$ 2,573,389	\$ 2,573,389	\$ 2,573,389	\$ 30,880,668
20														
21														
22	SUBTOTAL before Adjustments	\$ 65,408,761	\$ 64,890,052	\$ 67,048,588	\$ 75,305,414	\$ 85,543,168	\$ 93,282,295	\$ 92,816,467	\$ 86,782,197	\$ 82,863,703	\$ 71,095,091	\$ 60,439,646	\$ 69,458,308	\$ 914,923,709
23	Adjustments:													
24	Providence from UE-921262	\$ (210,839)	\$ (210,522)	\$ (208,979)	\$ (218,184)	\$ (218,736)	\$ (180,763)	\$ (406,439)	\$ (239,312)	\$ (168,081)	\$ (311,398)	\$ (45,755)	\$ (235,593)	\$ (2,654,599)
25	Contract price adjustment	\$ (131,515)	\$ (129,921)	\$ (168,879)	\$ (182,391)	\$ (249,874)	\$ (250,903)	\$ (415,607)	\$ (427,574)	\$ (451,431)	\$ (1,188,778)	\$ 533,403	\$ (91)	\$ (3,064,461)
26	Colstrip availability adjustment													
27	New resource pricing adjustment													
28	Tenaska Disallowance (prior month adj)													
29	Tenaska Disallowance (current month adj)													
30														
31														
32	Subtotal Adjustments	\$ (1,012,488)	\$ (1,012,488)	\$ (1,012,488)	\$ (1,012,488)	\$ (1,012,488)	\$ (1,012,488)	\$ (1,012,488)	\$ (1,012,488)	\$ (1,012,488)	\$ (1,012,488)	\$ (1,012,488)	\$ (1,012,488)	\$ (12,149,856)
33	Total allowable cost (line 28/line 30) (Before Tenaska adj)	\$ (1,354,842)	\$ (1,352,931)	\$ (1,391,346)	\$ (1,413,063)	\$ (1,481,098)	\$ (1,444,054)	\$ (1,834,534)	\$ (1,679,374)	\$ (1,632,000)	\$ (2,512,662)	\$ (524,840)	\$ (1,248,172)	\$ (17,988,916)
34		\$ 64,053,919	\$ 63,537,121	\$ 65,657,242	\$ 73,892,351	\$ 84,062,090	\$ 91,838,241	\$ 90,381,933	\$ 85,102,823	\$ 81,221,703	\$ 68,582,429	\$ 59,914,806	\$ 68,210,135	\$ 897,054,793
35	PCA period delivered load (Kwh)	1,470,447,440	1,435,859,393	1,421,484,209	1,569,218,046	1,869,741,554	2,035,904,354	2,058,479,280	1,788,217,034	1,755,299,661	1,501,276,221	1,462,148,455	1,394,464,134	19,762,539,781
36	Baseline Power Cost 7/01/02 - 5/23/04	\$ 64,630,576	\$ 63,110,328	\$ 62,478,495	\$ 68,971,841	\$ 82,180,751	\$ 89,484,104	\$ 90,876,340	\$ 78,597,503	\$ 77,190,686	\$ 65,985,594	\$ 65,152,533	\$ 64,567,873	\$ 872,786,624
37														
38	Imbalance for Sharing	\$ (576,657)	\$ 426,793	\$ 3,178,747	\$ 4,920,510	\$ 1,881,339	\$ 2,354,137	\$ 505,594	\$ 6,505,320	\$ 4,071,017	\$ 2,596,835	\$ (5,237,728)	\$ 3,642,262	\$ 24,268,169
39	positive is potential customer surcharge, negative is potential customer	\$ (576,657)	\$ 426,793	\$ 3,178,747	\$ 4,920,510	\$ 1,881,339	\$ 2,354,137	\$ 505,594	\$ 6,505,320	\$ 4,071,017	\$ 2,596,835	\$ (5,237,728)	\$ 3,642,262	\$ 24,268,169
40														
41														
42	Less Firm Wholesale	\$ (576,424)	\$ 426,621	\$ 3,177,461	\$ 4,918,520	\$ 1,880,579	\$ 2,353,185	\$ 505,389	\$ 6,502,689	\$ 4,069,371	\$ 2,595,785	\$ (5,235,609)	\$ 3,640,789	\$ 24,268,355
43	Gross PCA	\$ (576,424)	\$ 426,621	\$ 3,177,461	\$ 4,918,520	\$ 1,880,579	\$ 2,353,185	\$ 505,389	\$ 6,502,689	\$ 4,069,371	\$ 2,595,785	\$ (5,235,609)	\$ 3,640,789	\$ 24,268,355
44	Gross PCA Contra	\$ 576,424	\$ (426,621)	\$ (3,177,461)	\$ (4,918,520)	\$ (1,880,579)	\$ (2,353,185)	\$ (505,389)	\$ (6,502,689)	\$ (4,069,371)	\$ (2,595,785)	\$ 5,235,609	\$ (3,640,789)	\$ (24,268,355)
45														
46	Cumulative Gross PCA	\$ (576,424)	\$ (149,803)	\$ 3,027,658	\$ 7,946,178	\$ 9,826,756	\$ 12,179,941	\$ 12,685,330	\$ 19,188,019	\$ 23,257,390	\$ 25,853,175	\$ 20,617,565	\$ 24,258,355	\$ 24,258,355
47	Cumulative Gross PCA Contra	\$ 576,424	\$ 149,803	\$ (3,027,658)	\$ (7,946,178)	\$ (9,826,756)	\$ (12,179,941)	\$ (12,685,330)	\$ (19,188,019)	\$ (23,257,390)	\$ (25,853,175)	\$ (20,617,565)	\$ (24,258,355)	\$ (24,258,355)
48														
49														
50														
51	Note: This schedule was derived from original PCA collaborative exhibit B													

**Per UE-031725-PCORC
Reflecting Order No. 14
Exhibit D: Regulatory Assets 5/24/04-6/30/04**

Row	Cabot Buyout	G/L Acct #18230171	Interest	Amort	Balance	PCA (Jul03-Jun04) Amortization	Ratebase (AMA)	RORC (Apr04 - Mar05) Amortization	Ratebase (AMA)	Return 7.30%	35% Pre Tax Return	Monthly Return Pre-tax Jul 03-Jun 04
6					12,985,000							
7				(312,000)	12,985,000							
8	2000 \$	12,588,000	709,000	(741,000)	12,964,000							
9	2001 \$	-	720,000	(1,070,000)	12,442,000	(1,070,000)				\$ 903,500	\$ 1,390,000	\$ 115,833
10	2002 \$	-	548,000	(1,409,000)	11,033,000	(1,588,500)				\$ 802,148	\$ 1,234,074	\$ 102,840
11	2003 \$	-	-	(1,768,000)	9,265,000	(1,965,500)		(1,866,750)	9,694,906	\$ 672,756	\$ 1,035,009	
12	2004 \$	-	-	(2,163,000)	7,102,000	(2,388,500)				\$ 514,322	\$ 791,264	
13	2005 \$	-	-	(3,078,000)	4,488,000	(2,846,000)				\$ 323,451	\$ 497,617	
14	2006 \$	-	-	(1,410,000)	1,410,000	(2,244,000)				\$ 118,455	\$ 182,238	
15	2007 \$	-	-	-	-	-						
16	2008 \$	-	-	-	-	-						
17												
18	Tenaska				221,802,000							
19	1998 \$		8,754,000	(1,952,000)	221,802,000							
20	1999 \$		8,795,000	(3,863,000)	226,734,000							
21	2000 \$		8,849,000	(5,463,000)	230,120,000							
22	2001 \$		8,838,000	(7,382,000)	231,576,000							
23	2002 \$		6,562,000	(9,494,000)	228,644,000	(9,494,000)				\$ 16,648,873	\$ 25,613,650	\$ 2,134,471
24	2003 \$		-	(11,924,000)	216,720,000	(13,334,000)				\$ 15,794,809	\$ 24,299,707	\$ 2,024,976
25	2004 \$		-	(14,744,000)	201,976,000	(16,326,000)				\$ 14,715,364	\$ 22,639,022	
26	2005 \$		-	(17,908,000)	184,068,000	(19,261,500)				\$ 13,412,260	\$ 20,634,246	
27	2006 \$		-	(20,615,000)	163,453,000	(22,479,000)		(15,535,000)	205,562,854	\$ 11,897,981	\$ 18,304,586	
28	2007 \$		-	(24,343,000)	139,110,000	(26,307,500)				\$ 10,119,032	\$ 15,567,741	
29	2008 \$		-	(28,272,000)	110,838,000	(14,136,000)						
30												
31												
32												
33												
34	BEP				54,662,561							
35	2001			(3,526,620)	51,135,941	(3,526,620)				\$ 3,732,924	\$ 5,742,960	\$ 478,580
36	2002			(3,526,620)	47,609,321	(3,526,620)				\$ 3,475,480	\$ 5,346,893	\$ 445,574
37	2003			(3,526,620)	44,082,701	(3,526,620)		(3,526,620)	44,964,313	\$ 3,218,037	\$ 4,950,826	
38	2004			(3,526,620)	40,556,081	(3,526,620)				\$ 2,960,594	\$ 4,534,760	
39	2005			(3,526,620)	37,029,461	(3,526,620)				\$ 2,703,151	\$ 4,158,693	
40	2006			(3,526,620)	33,502,841	(3,526,620)				\$ 2,445,707	\$ 3,762,627	
41	2007			(3,526,620)	29,976,221	(3,526,620)				\$ 2,188,264	\$ 3,366,560	
42	2008			-	-	-						
43												
44												
45												
46												
47												
48												
49												
50												
51												

From	To	Amortization	AMA Ratebase	Return	Return Pre-tax	Monthly Return Pre-tax
Jul-02	Jul-03	(14,090,620)	291,579,399	\$ 21,285,296	\$ 32,746,609	\$ 2,728,884
Jul-03	Jun-04	(18,449,120)	274,964,904	\$ 20,072,438	\$ 30,880,674	\$ 2,573,389
Jul-04	Jun-05	(21,818,120)	254,878,868	\$ 18,606,157	\$ 28,624,857	\$ 2,385,405
Jul-05	Jun-06	(25,176,620)	231,331,164	\$ 16,887,175	\$ 25,980,269	\$ 2,165,022
Jul-06	Jun-07	(28,851,620)	204,446,336	\$ 14,924,583	\$ 22,960,896	\$ 1,913,408
Jul-07	Jun-08	(32,078,120)	173,742,383	\$ 12,683,194	\$ 19,512,606	\$ 1,626,051
				\$ 21,285,296	\$ 32,746,609	\$ 2,728,884
				\$ 20,072,438	\$ 30,880,674	\$ 2,573,389
				\$ 18,606,157	\$ 28,624,857	\$ 2,385,405
				\$ 16,887,175	\$ 25,980,269	\$ 2,165,022
				\$ 14,924,583	\$ 22,960,896	\$ 1,913,408
				\$ 12,683,194	\$ 19,512,606	\$ 1,626,051
				\$ 21,285,296	\$ 32,746,609	\$ 2,728,884
				\$ 20,072,438	\$ 30,880,674	\$ 2,573,389
				\$ 18,606,157	\$ 28,624,857	\$ 2,385,405
				\$ 16,887,175	\$ 25,980,269	\$ 2,165,022
				\$ 14,924,583	\$ 22,960,896	\$ 1,913,408
				\$ 12,683,194	\$ 19,512,606	\$ 1,626,051
				\$ 21,285,296	\$ 32,746,609	\$ 2,728,884
				\$ 20,072,438	\$ 30,880,674	\$ 2,573,389
				\$ 18,606,157	\$ 28,624,857	\$ 2,385,405
				\$ 16,887,175	\$ 25,980,269	\$ 2,165,022
				\$ 14,924,583	\$ 22,960,896	\$ 1,913,408
				\$ 12,683,194	\$ 19,512,606	\$ 1,626,051

Per UE-031725-PCORC

Reflecting Final Order No. 14

Exhibit E - Contract Adjustments (UE-031725): 5/24/04-6/30/04

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	\$ 0.0670	\$ (0.0000)
10	BPA WNP-3 Exchange Power	Rate Limit	\$ 0.0282	\$ 0.0012
11	BPA WNP3 Return	Actual Cost		
12	BPA Snohomish Conservation	Rate Limit	\$ 0.0514	\$ (0.0102)
13	CSPE	N/A		
14	Mid-Columbia	Actual Cost		
15	Canadian Entitlement and CEA-EA	N/A		
16	MPC Firm Contract-Demand	Total Cost	\$ 29,382,000	\$ 2,298,988
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	\$ 0.0783	\$ 0.0004
20b	North Wasco Summer	Rate Limit	\$ 0.0434	\$ 0.0003
		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	\$ 0.0300	
24	QF Koma Kulshan Hydro	Rate Limit	\$ 0.0749	\$ 0.0006
25	QF March Point Cogen 1 Winter	NUG Rate Limit	\$ 0.0610	\$ 0.0004
26	QF March Point Cogen 1 Summer	NUG Rate Limit	\$ 0.0437	\$ 0.0002
27	QF March Point Cogen 2 Winter	NUG Rate Limit	\$ 0.0660	\$ 0.0018
28	QF March Point Cogen 2 Summer	NUG Rate Limit	\$ 0.0553	\$ 0.0015
29	QF Port Townsend Hydro	Actual Cost	\$ 0.0282	
30	QF PERC Puyallup	Actual Cost		
31a	QF Spokane MSW Winter	Rate Limit	\$ 0.1072	\$ 0.0004
31b	QF Spokane MSW Summer	Rate Limit	\$ 0.0636	\$ 0.0003
32	QF Sumas Winter	NUG Rate Limit	\$ 0.0818	\$ 0.0027
33	QF Sumas Summer	NUG Rate Limit	\$ 0.0592	\$ 0.0013
34	QF Sygitowicz	Actual Cost	\$ 0.0514	
35	QF Tenaska (excl. Reg. Amort.)	NUG Rate Limit	\$ 0.0318	\$ 0.0018
36	QF Twin Falls	Rate Limit	\$ 0.0750	\$ (0.0000)
37	QF Weeks Falls	Rate Limit	\$ 0.0750	\$ (0.0000)
38	Skookumchuck	Actual Cost		
39	Nooksack	Actual Cost		

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