

PSE Power Cost Adjustment (PCA) Mechanism Forecast

Dollars are in millions

		Prior to PCORC Order				After PCORC Order						
	A	B	C	D	E	F	G	H	I	J	K	L
	Monthly Cost Imbalance	Cumulative PCA Period Imbalance	PCA Cumulative Imbalance	Allocated to Customer Cust > \$20	Allocated to Customer Cust > \$40	Cumulative Imbalance	Commission Adjustment	Cumulative PCA Period Imbalance	PCA Cumulative Imbalance	Allocated to Customer Cust > \$20	Allocated to Customer Cust > \$40	Cumulative
PCA Period 1	Jul-02	(3.60)	(3.60)	-	-	(3.60)		(3.60)	(3.60)	-	-	-
	Aug-02	(1.40)	(5.00)	(5.00)	-	(5.00)		(5.00)	(5.00)	-	-	-
	Sep-02	6.80	1.80	1.80	-	1.80		1.80	1.80	-	-	-
	Oct-02	3.50	5.30	5.30	-	5.30		5.30	5.30	-	-	-
	Nov-02	(2.30)	3.00	3.00	-	3.00		3.00	3.00	-	-	-
PCA Period 2	Dec-02	2.30	5.30	5.30	-	5.30		5.30	5.30	-	-	-
	Jan-03	(1.30)	4.00	4.00	-	4.00		4.00	4.00	-	-	-
	Feb-03	5.50	9.50	9.50	-	9.50		9.50	9.50	-	-	-
	Mar-03	7.40	16.90	16.90	-	16.90		16.90	16.90	-	-	-
	Apr-03	(1.60)	15.30	15.30	-	15.30		15.30	15.30	-	-	-
PCA Period 3	May-03	(2.30)	13.00	13.00	-	13.00		13.00	13.00	-	-	-
	Jun-03	12.30	25.30	25.30	2.65	2.65	(25.60)	(0.30)	(0.30)	-	-	-
	Jul-03	0.40	0.40	25.70	2.65	2.65		0.40	0.10	-	-	-
	Aug-03	1.40	1.80	27.10	2.65	2.65		1.80	1.50	-	-	-
	Sep-03	4.20	6.00	31.30	2.65	2.65		6.00	5.70	-	-	-
PCA Period 4	Oct-03	6.00	12.00	37.30	2.65	2.65		12.00	11.70	-	-	-
	Nov-03	2.80	14.80	40.10	2.65	2.65		14.80	14.50	-	-	-
	Dec-03	3.40	18.20	43.50	2.65	0.81		18.20	17.90	-	-	-
	Jan-04	1.50	19.70	45.00	2.65	2.30		19.70	19.40	-	-	-
	Feb-04	7.50	27.20	52.50	6.25	6.12		27.20	26.90	3.60	-	3.60
PCA Period 5	Mar-04	5.00	32.20	57.50	8.75	8.57		32.20	31.90	6.10	-	6.10
	Apr-04	3.82	36.02	61.32	10.66	10.45		36.02	35.72	8.01	-	8.01
	May-04	(4.60)	31.42	56.72	8.36	8.19		31.42	31.12	5.71	-	5.71
	Jun-04	8.30	39.72	65.02	12.51	12.26		39.72	39.42	9.86	-	9.86
	Jul-04	1.40	41.12	66.42	12.51	13.65		41.12	40.82	9.86	-	9.86
PCA Period 6	Aug-04	1.90	43.02	68.32	12.51	15.53		43.02	42.72	9.86	-	9.86
	Sep-04	4.90	47.92	73.22	12.51	20.38		47.92	47.62	9.86	-	9.86
	Oct-04	5.70	53.62	78.92	12.51	26.02		53.62	53.32	9.86	-	9.86
	Nov-04	6.80	60.42	85.72	12.86	32.40		60.42	60.12	10.21	-	10.21
	Dec-04	15.70	76.12	101.42	20.71	40.10		76.12	75.82	18.06	-	18.06
Impact on revenues (Column L - F)											(25.34)	M

Assumptions for this presentation:

- o \$25.6 million one-time disallowance in June 03.
- o 50% return on reg asset disallowance is deferred for possible future recovery.
- o Fixed Costs and Schedule E contract rates updated to PCORC rates at April 7, 2004
- o PCORC Baseline Rate begins June 1, 2004 (actual true up will be effective date of new rates).

Column Notes

Explanation of Column Calculations:

A	Prior to PCORC Order
B	Monthly Cost Imbalance
C	Cumulative PCA Period Imbalance
D	PCA Cumulative Imbalance
E	Allocated to Customer/Cust > \$20
F	Allocated to Customer/Cust > \$40
G	Commission Adjustment
H	Cumulative PCA Period Imbalance
I	PCA Cumulative Imbalance
J	Allocated to Customer/Cust > \$20
K	Allocated to Customer/Cust > \$40
L	Allocated to Customer/Cumulative = Columns J + K
M	Represents 99% of Column G, Monthly Commission Adjustment.