

EXHIBIT NO. __ (JHS-11C)
DOCKET NO. UG-040640, *et al.* (consolidated)
2004 PSE GENERAL RATE CASE
WITNESS: JOHN H. STORY

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*)

In the Matter of the Petition of

PUGET SOUND ENERGY, INC.

For an Order Regarding the Accounting
Treatment for Certain Costs of the Company's
Power Cost Only Rate Filing.

Docket No. UE-031471 (*consolidated*)

In the Matter of the Petition of

PUGET SOUND ENERGY, INC.

For an Accounting Order Authorizing
Deferral and Recovery of the Investment
and Costs Related to the White River
Hydroelectric Project.

Docket No. UE-032043 (*consolidated*)

FOURTH EXHIBIT TO THE
PREFILED REBUTTAL TESTIMONY OF
JOHN H. STORY (CONFIDENTIAL)
ON BEHALF OF PUGET SOUND ENERGY, INC.

NOVEMBER 3, 2004

REDACTED
VERSION

Exhibit A-1 Power Cost Rate

Row		Test Year			
3	Regulatory Assets (Variable)	\$	282,429,058		
4	Transmission Rate Base (Fixed)		120,648,501		
5	Production Rate Base (Fixed)		464,344,696		
6		\$	867,422,256		
7	Net of tax rate of return		7.78%		
8					
9					
			Test Yr	Rate Year	
			\$/MWh		
10	Regulatory Asset Recovery (on Row 3)	\$	33,804,586	\$ 1.751 (c)	
11	Fixed Asset Recovery Other (on Row 4)		14,440,697	\$ 0.748 (a) 14,440,697	
12	Fixed Asset Recovery-Prod Factored (on Row 5)		55,578,488	\$ 2.878 (a) 56,299,687	
13	501-Steam Fuel		40,197,040	\$ 2.082 (c)	
14	555-Purchased power		558,511,331	\$ 28.925 (c)	
15	557-Other Power Exp		12,522,081	\$ 0.649 (a) 12,684,570	
16	547-Fuel		103,714,831	\$ 5.371 (c)	
17	565-Wheeling		43,721,038	\$ 2.264 (c)	
18	Variable Transmission Income		(3,724,830)	\$ (0.193) (c)	
19	Hydro and Other Pwr.		52,046,659	\$ 2.695 (a) 52,722,028	
20	447-Sales to Others		(27,538,643)	\$ (1.426) (c)	
21	456-Subaccounts 00012 & 00018 and 00035 & 00036		-	\$ - (c)	
22	Transmission Exp - 500KV		485,960	\$ 0.025 (a) 492,266	
23	Depreciation-Production (FERC 403)		40,574,158	\$ 2.101 (a) 41,100,657	
23a	Amortization-Production Reg Assets(FERC 407)		25,290,481	\$ 1.310 (c)	
23b	Deferred FIT-Production Reg Assets(FERC 407)		(1,923,059)	\$ (0.100) (c)	
25	Depreciation-Transmission		5,107,346	\$ 0.265 (a) 5,107,346	
26	Property Taxes-Production		9,435,250	\$ 0.489 (a) 9,557,684	
27	Property Taxes-Transmission		4,748,192	\$ 0.246 (a) 4,748,192	
28	Subtotal & Baseline Rate	\$	966,991,605	\$ 50.080 (b) 197,153,128	
29	Revenue Sensitive Items		0.9550366		
30		\$	1,012,517,850		
31	Test Year Load (MWH's)		19,308,876	<-- includes Firm Wholesale	
32					
			Before Rev. Sensitive Items	After Rev. Sensitive Items	
33	Power Cost in Rates with Revenue Sensitive Items (the adjusted baseline)			52.438	
34	sum of (a) = Fixed Rate Component		10.096	10.571	
35	(b) = Power Cost Rate		50.080	52.438	
36	sum of (c) = Variable Power Rate Component		39.984	41.866	
37					
38					
39	* Regulatory Assets are Tenaska, Encogen Fuel Buyout, BEP and White River Relicensing and Plant Costs				

Exhibit A-2 Transmission Rate Base

Row		Plant
		AMA 9/30/2003
4	Colstrip Related Transmission Assets	
5		
6	TRANS - COLSTRIP 1 & 2	
7	E351 10012 Easements	\$ 685,927
8	E353 10013 Station Equipment	1,231,131
9	E354 10014 Towers & Fixtures	14,474,343
10	E355 10014 Poles & Fixtures	49,007
11	E356 10015 OH Conductors & Devices	13,158,153
12	E359 10017 Roads & Trails	113,968
13	TOTAL COLSTRIP 1&2 TRANSMISSION	<u>29,712,528</u>
14		
15	TRANS - COLSTRIP 3 & 4	
16	E351 10012 Easements	1,071,124
17	E352 10013 Structures & Improvements	478,326
18	E353 10013 Station Equipment	17,967,782
19	E354 10014 Towers & Fixtures	20,422,516
20	E355 10015 Poles & Fixtures	88,692
21	E356 10015 OH Conductors & Devices	19,991,226
22	E359 10017 Roads & Trails	341,015
23	TOTAL COLSTRIP 3&4 TRANSMISSION	<u>60,360,680</u>
24		
25	TRANS - 3RD NW-SW INTERTIE	
26	E352 10013 Structures & Improvements	1,276,264
27	E353 10014 Station Equipment	31,157,075
28	E354 10014 Towers & Fixtures	22,781,417
29	E355 10064 Poles & Fixtures	204,200
30	E356 10016 OH Conductors & Devices	23,458,256
31	E356 10043 OH Conductors & Devices	206
32	E359 10017 Roads & Trails	59,215
33	TOTAL 3RD NW-SW INTERTIE	<u>78,936,632</u>
34		
35	TRANS - NORTHERN INTERTIE	
36	E354 10087 Towers & Fixtures-Whatcom	5,744,097
37	E355 10087 Poles & Fixtures-Whatcom	11,219
38	E356 10087 OH Conductors & Devices-Whatcom	7,460,099
39	E355 10064 Poles & Fixtures-Skagit	3,398,685
40	E356 10064 OH Conductors & Devices-Skagit	5,142,699
41	TOTAL NORTHERN INTERTIE	<u>21,756,799</u>
42		
43		
44	Total Transmission	\$ 190,766,639
45	Accumulated Depreciation (AMA)	(62,513,234)
46	Deferred Taxes (EOP)	(14,645,716)
47	Transmission portion of:	
48	Colstrip Common FERC Adj, net of accum amort	4,528,960
49	Colstrip Def Depr FERC Adj, net of accum amort	732,428
50	Colstrip Transmission Land	<u>1,779,425</u>
51		
52	Total Transmission Rate Base	<u>\$ 120,648,501</u>

Exhibit A-3 Colstrip Fixed Costs (Page 1 of 2)

Row	Revenue Requirement for Colstrip		
3	Plant	670,682,981	
4	Accumulated Depreciation	(376,332,021)	
5	Deferred Taxes at 9/30/2003	(69,080,985)	
6	Net Plant	225,269,975	
7	Rate of Return (net of Tax)	7.78%	
8	Revenue Requirement after tax	17,526,004	
9	Plant Revenue Requirement	26,963,083	(Adjusted for federal tax)
10	Expenses	52,468,331	
11	Total Revenue Requirement	79,431,415	(Before revenue sensitive items)

Support for Revenue Requirement - Ratebase

FERC	DESCRIPTION	30-Sep-02	30-Sep-03	13 MONTH AMA	ANNUITY RATE	ANNUALIZED DEPRECIATION	ACUMM. DEPR. 09/30/2003
	COLSTRIP #1						
E310	Land & Land Rights	3,535	-	2,209	0.00%	-	-
E311	Structures & Improvements	7,097,390	7,235,283	7,153,419	3.03%	216,749	(4,117,577)
E312	Boiler Plant Equipment	56,152,721	51,919,902	53,083,842	3.12%	1,656,216	(33,935,523)
E314	Turbo Generating Units	12,421,401	13,596,258	12,362,529	3.29%	406,727	(8,621,634)
E315	Accessory Electric Equipment	7,043,604	7,151,247	7,083,203	2.71%	191,955	(4,846,128)
E316	Misc. Power Plant Equipment	426,565	486,394	430,525	3.87%	16,661	(254,368)
	TOTAL	83,145,216	80,389,085	80,115,727	3.11%	2,488,308	(51,775,230)
	COLSTRIP #2						
E310	Land & Land Rights	3,535	-	2,209	0.00%	-	-
E311	Structures & Improvements	5,573,640	5,706,503	5,629,325	3.06%	172,257	(3,697,520)
E312	Boiler Plant Equipment	40,460,296	46,001,941	43,434,872	3.05%	1,324,764	(29,188,423)
E314	Turbo Generating Units	12,498,428	13,493,641	13,197,365	3.26%	430,234	(8,341,796)
E315	Accessory Electric Equipment	4,592,474	5,303,205	5,069,470	2.69%	136,369	(3,077,242)
E316	Misc. Power Plant Equipment	427,379	511,180	448,318	3.61%	16,184	(254,834)
	TOTAL	63,555,752	71,016,471	67,781,559	3.07%	2,079,808	(44,559,815)
	COLSTRIP 1 & 2 COMMON						
E310	Land & Land Rights	917,333	915,692	916,718	0.00%	-	-
E311	Structures & Improvements	31,949,738	31,473,984	31,776,651	3.16%	1,004,142	(20,643,987)
E312	Boiler Plant Equipment	8,221,831	8,354,764	8,243,507	3.18%	262,144	(5,838,816)
E314	Turbo Generating Units	3,918,858	3,918,858	3,918,858	3.31%	129,714	(2,654,404)
E315	Accessory Electric Equipment	2,420,179	2,420,179	2,420,179	3.07%	74,299	(1,488,980)
E316	Misc. Power Plant Equipment	6,492,144	6,492,144	6,492,144	3.82%	248,000	(3,621,040)
	TOTAL	53,920,083	53,575,621	53,768,057	3.20%	1,718,299	(34,247,228)
	COLSTRIP 3						
E311	Structures & Improvements	28,882,948	28,948,432	28,901,385	2.45%	708,084	(15,739,487)
E312	Boiler Plant Equipment	118,685,346	117,282,834	119,507,510	2.68%	3,202,801	(66,739,854)
E314	Turbo Generating Units	33,180,681	34,313,111	33,201,899	2.97%	986,096	(16,253,200)
E315	Accessory Electric Equipment	6,401,615	6,466,260	6,404,308	2.47%	158,186	(3,223,719)
E316	Misc. Power Plant Equipment	456,965	496,445	458,610	2.86%	13,116	(229,534)
	TOTAL	187,607,555	187,507,081	188,473,712	2.69%	5,068,283	(102,185,794)
	COLSTRIP 4						
E310	Land & Land Rights	1,648	1,648	1,648	0.00%	-	-
E311	Structures & Improvements	26,483,797	26,552,773	26,504,125	2.54%	673,205	(13,071,458)
E312	Boiler Plant Equipment	100,508,440	104,602,581	101,679,369	2.75%	2,796,183	(50,205,933)
E314	Turbo Generating Units	28,602,598	30,772,919	28,949,611	2.94%	851,119	(12,627,171)
E315	Accessory Electric Equipment	5,596,707	5,660,702	5,599,048	2.52%	141,096	(2,476,468)
E316	Misc. Power Plant Equipment	654,568	694,048	656,213	2.79%	18,308	(312,146)
	TOTAL	161,847,758	168,284,670	163,390,014	2.74%	4,479,911	(78,693,175)
	COLSTRIP 3 & 4 COMMON						
E310	Land & Land Rights	2,639,412	2,632,824	2,636,942	0.00%	-	-
E311	Structures & Improvements	71,867,029	70,746,760	71,454,830	2.33%	1,664,898	(38,051,869)
E312	Boiler Plant Equipment	20,298,808	20,359,928	20,316,702	2.48%	503,854	(11,377,893)
E314	Turbo Generating Units	274,553	277,420	276,584	2.62%	7,247	(141,675)
E315	Accessory Electric Equipment	7,748,971	7,748,971	7,748,971	2.31%	179,001	(3,821,722)
E316	Misc. Power Plant Equipment	4,722,721	4,739,216	4,734,405	2.79%	132,090	(2,165,954)
	TOTAL	107,551,496	106,505,119	107,168,434	2.32%	2,487,090	(55,559,112)
	COLSTRIP 1-4 COMMON						
E316	Misc. Power Plant Equip.	251,534	251,534	251,534	2.46%	6,188	(137,294)
	TOTAL	251,534	251,534	251,534	2.46%	6,188	(137,294)
	Subtotal before Colstrip FERC Adjustments	657,879,393	667,529,580	660,949,037	2.77%	18,327,887	(367,157,649)
	Colstrip Common FERC Adj. (AMA is Net of Accum. Amort.)			7,518,976		354,669	-
	Colstrip Def Depr FERC Adj. (AMA is Net of Accum. Amort.)			2,214,968		104,311	-
	Total Plant and Acc. Deprec.			670,682,981	2.80%	18,786,867	(367,157,649)
	AMA Adj. to Accum Depr.						(9,174,372)
	Totals			670,682,981	2.80%	18,786,867	(376,332,021)

Exhibit A-3 Colstrip Fixed Costs

Row	Order	Description	Amount before Prod. Adj.
79			
80			
81			
82		Support for Revenue Requirement - Expenses	
83			
84			
85	50004011	1&2 Sup & Eng - Steam Ope	REDACTED
86	50004012	1&2 Sup & Eng - Steam Ope	
87	50005011	3&4 Sup & Eng - Steam Ope	
88	50005012	3&4 Sup & Eng - Steam Ope	
89	50204001	1&2 Steam Exp - Steam Gen Op	
90	50205001	3&4 Steam Exp - Steam Gen Op	
91	50504001	1&2 Elec Exp - Steam Gen	
92	50505001	3&4 Elec Exp - Steam Gen	
93	50604001	1&2 Misc Exp - Steam Gen	
94	50605001	3&4 Misc Exp - Steam Gen	
95	50605002	3&4 Steam - Housing	
96	50704001	1&2 Rents - Steam Gen Oper	
97	50705001	3&4 Rents - Steam Gen Oper	
98	51004001	1&2 Maint Supv - Steam Gen	
99	51005001	3&4 Maint Supv - Steam Gen	
100	51104001	1&2 Maint of Struct - Stm Gen	
101	51105001	3&4 Maint of Struct - Stm Gen	
102	51204001	1&2 Maint of Boiler - Stm Gen	
103	51205001	3&4 Maint of Boiler - Stm Gen	
104	51304001	1&2 Maint of E Plant - Stm G	
105	51305001	3&4 Maint of E Plant - Stm G	
106	51404001	1&2 Maint of Misc - Stm Gen	
107	51405001	3&4 Maint of Misc - Stm Gen	
108		Property Taxes-Montana	
109		Electric Energy Tax	
110	403xxxxx	Depreciation and Amortization	
111			\$ 52,468,331

Exhibit A-4 Production Adjustment

**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	536,545	(6,873)	2,406
4 TOTAL PRODUCTION WAGE INCREASE	536,545	(6,873)	2,406
5 PAYROLL OVERHEADS	1,721,437	(22,052)	7,718
6 PROPERTY INSURANCE	2,291,570	(29,355)	10,274
7 TOTAL A&G	4,013,007	(51,407)	17,992
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)	1,494,702	(19,147)	6,701
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	1,741,844	(22,313)	7,810
18 PAYROLL TAXES	750,096	(9,609)	3,363
19 TOTAL TAXES OTHER	12,049,624	(154,356)	54,025
20 INCREASE(DECREASE) INCOME		758,282	
21 INCREASE(DECREASE) FIT			211,607
22 INCREASE(DECREASE) NOI			\$ 546,675
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)	(119,403,787)	1,529,563	
36 OTHER DEF. TAXES (EOP)	(21,361,000)	273,634	
37 SUBTOTAL	(141,412,530)	1,811,495	
38			
39 ADJUSTMENT TO PRODUCTION RATE BASE	474,900,033	(6,083,468)	
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	17,900,360	(229,304)	
46 WHITE RIVER PLANT COSTS	41,343,483	(529,610)	
47 ADJUSTMENT TO REGULATORY ASSETS RATE BASE	286,093,922	(3,664,864)	
48			
49 TOTAL ADJUSTMENT TO RATE BASE	\$ 760,993,956	\$ (9,748,332)	

Exhibit A-5 Power Costs

**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	\$ 146,121,367	\$ 81,884,853
3 PURCHASED AND INTERCHANGED	769,384,600	596,801,097	(172,583,503)
3a TENASKA DISALLOWANCE	-	(10,583,873)	(10,583,873)
4			
5 WHEELING	39,868,912	43,721,038	3,852,126
6 HYDRO AND OTHER POWER	46,852,153	52,046,659	5,194,506
7 TRANS. EXP. INCL. 500KV O&M	492,266	485,960	(6,306)
8 SALES FOR RESALE	(199,186,464)	(27,538,643)	171,647,821
9 PURCHASES/SALES OF NON-CORE GAS	(9,704,193)	-	9,704,193
10 WHEELING FOR OTHERS	(12,727,829)	(9,398,452)	3,329,377
11 SUBTOTAL	\$ 699,215,959	\$ 791,655,153	\$ 92,439,194
12			
13 LESS: SALES FOR RESALE	199,186,464	27,538,643	(171,647,821)
14 LESS: WHEELING FOR OTHERS	12,727,829	9,398,452	(3,329,377)
15 SCH. 94 - RES./FARM CREDIT	(172,382,420)	-	172,382,420
16 TOTAL	\$ 738,747,832	\$ 828,592,248	\$ 89,844,416
17 TRANS. EXP. INCL. 500KV O&M	(492,266)		
18 PURCHASES/SALES OF NON-CORE GAS	9,704,193		
19 POWER COSTS PER G/L	\$ 747,959,759		
20 INCREASE(DECREASE) INCOME			\$ (89,844,416)
21			
22 INCREASE(DECREASE) FIT @	35%		(31,445,545)
23 INCREASE(DECREASE) NOI			\$ (58,398,870)

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

Ref	Description	Interest	Amort		December 31 Balance	Asset Amort	DFIT Amort	AMA Ratebase as of	Return			
			Asset	DFIT					A.T. %	Amount	Pre Tax	
10												
11	Cabot Buyout	G/L Acct #18230171 and #28300461										
12	Beginning \$				12,588,000							
13	Dec 2000 \$	709,000	(312,000)	(4,121,000)	8,864,000							
14	Dec 2001 \$	720,000	(741,000)	301,000	9,144,000							
15	Dec 2002 \$	548,000	(1,070,000)	377,000	8,999,000				7.30%	-	-	
16	Dec 2003 \$	-	(1,409,000)	584,000	8,174,000				7.30%	-	-	
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	714,832
22												
23												
24	Tenaska	G/L Acct #18230001 and #28300451										
25	Beginning \$				215,000,000							
26	Dec 1998 \$	8,754,000	(1,952,000)	(2,954,000)	218,848,000							
27	Dec 1999 \$	8,795,000	(3,863,000)	(2,860,000)	220,920,000							
28	Dec 2000 \$	8,849,000	(5,463,000)	(2,789,000)	221,517,000							
29	Dec 2001 \$	8,838,000	(7,382,000)	(2,677,000)	220,296,000							
30	Dec 2002 \$	6,562,000	(9,494,000)	(1,760,000)	215,604,000				7.30%	-	-	
31	Dec 2003 \$	-	(11,924,000)	675,000	204,355,000				7.30%	-	-	
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	21,442,423
40												
41												
42	BEP	G/L Acct #18230071 and #18230081										
43	Beginning				54,662,561							
44	Dec 2002 \$	-	(3,526,620)		51,135,941				7.30%	-	-	
45	Dec 2003 \$	-	(3,526,620)		47,609,321				7.30%	-	-	
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	4,994,954
60												
61												
62	White River Relicensing Costs (see note 1)											
63	Beginning \$	-			17,900,360							
64	Dec 2005 \$	-			17,900,360			17,900,360	2/06	7.78%	1,392,648	2,142,535
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	4,948,497
82												

Period	From	To		Return	Pre-tax
GRC #1	Mar-05	Feb-06	Line 18 + 33 + 47 + 64 + 81	286,093,922	34,243,242
			Return per Exhibit A-1 Line 10 (Line 84 net of production factor of 1.281%)	282,429,059	33,804,586
Total assets amortization from 3/1/05 to 2/28/06 (excl WR Relicensing costs):					
				(25,618,655)	>>> After production factor: (25,290,480)
Total DFIT from 3/1/05 to 2/28/06:				1,923,059	
Note 1 - 10/22/04 GRC Rebuttal:					
The Company's WR Relicensing Balance is \$20,545,452. Because the Company agrees to WUTC staff's adjustment methodology, (see Adj. 2.12 White River), the WR Relicensing balance has been reduced by \$2,645,092, to \$17,900,360.					

**Exhibit E - Contract Adjustments
 Derived from Original PCA Exhibit E**

Row	REBUTTAL		AS FILED		Changed
	PCORC RY Apr04- Mar05	GRC REBUTTAL Mar05-Feb06	Increase/ (Decrease) from PCORC to GRC REBUTTAL	GRC RY Mar05- Feb06	
7	CONTRACTS				
8	Baker Replacement	\$ 0.0670	\$ 0.0670	\$ 0.0670	\$ (0.0000)
9	BC Hydro Point Roberts	\$ 0.0294	\$ 0.0270	\$ (0.0024)	\$ (0.0027)
10	BPA WNP-3 Exchange Power				
11	BPA WNP3 Return	\$ 0.0411	\$ 0.0414	\$ 0.0003	\$ (0.0000)
12	BPA Snotomish Conservation				
13	CSPE				
14	Mid-Columbia				
15	Canadian Entitlement and CEA-EA				
16	MPC Firm Contract-Demand	\$ 31,680,988	\$ 33,114,394	\$ 1,433,406	\$ -
17	MPC Firm Contract-Energy				
18	PPL Contract 15 yr				
19	Supplemental Entitlement Cap				
20	North Wasco Winter	\$ 0.0787	\$ 0.0801	\$ 0.0014	\$ 0.0000
20A	North Wasco Summer	\$ 0.0437	\$ 0.0446	\$ 0.0009	\$ (0.0000)
21	WWP Contract 15 yr				
22	PG&E Exchange Storage Acct'g.				
23	QF Shippo Hutch. Creek	\$ 0.0317	\$ -	\$ -	\$ -
24	QF Koma Kulshan Hydro	\$ 0.0755	\$ 0.0756	\$ 0.0001	\$ 0.0000
25	QF March Point Cogen 1 Winter	\$ 0.0614	\$ 0.0615	\$ 0.0001	\$ -
26	QF March Point Cogen 1 Summer	\$ 0.0439	\$ 0.0440	\$ 0.0001	\$ -
27	QF March Point Cogen 2 Winter	\$ 0.0678	\$ 0.0685	\$ 0.0007	\$ -
28	QF March Point Cogen 2 Summer	\$ 0.0568	\$ 0.0576	\$ 0.0008	\$ -
29	QF Port Townsend Hydro	\$ 0.0376	\$ -	\$ -	\$ -
30	QF PERC Puyallup				
31	QF Spokane MSW				
31a	QF Spokane MSW Winter	\$ 0.1076	\$ 0.1076	\$ 0.0001	\$ (0.0000)
31b	QF Spokane MSW Summer	\$ 0.0639	\$ 0.0640	\$ 0.0001	\$ (0.0000)
32	QF Sumas Winter	\$ 0.0845	\$ 0.0857	\$ 0.0012	\$ -
33	QF Sumas Summer	\$ 0.0605	\$ 0.0616	\$ 0.0011	\$ -
34	QF Sygitowicz	\$ 0.0547	\$ -	\$ -	\$ -
35	QF Tenaska (excl. Reg. Amort.)	\$ 0.0336	\$ 0.0342	\$ 0.0006	\$ -
36	QF Twin Falls	\$ 0.0750	\$ 0.0750	\$ 0.0000	\$ 0.0000
37	QF Weeks Falls	\$ 0.0750	\$ 0.0750	\$ (0.0000)	\$ 0.0000
38	Skookumchuck				

In James M. Russell's PCORC testimony, he "proposed that PSE defer the actual costs associated with the Hutchinson Creek, Port Townsend Sygitowicz, and Nookack power supply contracts because they are so small and some contain market-pricing provisions." PSE agrees and has removed these contracts from Schedule E for the GRC period. (Nooksack was never added)