

EXHIBIT NO. ___(JHS-8C)
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*)

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

NOVEMBER 3, 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	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	\$ 103,302,198	\$ 1,518,127,776
3	SALES FROM RESALE-FIRM	364,717		364,717	457,443	33,950	491,393
4	SALES TO OTHER UTILITIES	199,186,464		199,186,464	27,538,643		27,538,643
5	OTHER OPERATING REVENUES	45,262,737		45,262,737	32,652,795	99,426	32,752,221
6	TOTAL OPERATING REVENUES	1,495,407,563	11,716,081	1,507,123,644	1,475,474,459	103,435,574	1,578,910,033
7	OPERATING REVENUE DEDUCTIONS:						
8							
9							
10	POWER COSTS:						
11	FUEL	\$ 64,236,514	\$ -	\$ 64,236,514	\$ (26,462,136)	\$ -	\$ (26,462,136)
12	PURCHASED AND INTERCHANGED	769,384,600		769,384,600	758,800,727		758,800,727
13	WHEELING	39,868,912		39,868,912	43,721,038		43,721,038
14	RESIDENTIAL EXCHANGE	(172,382,420)		(172,382,420)			
15	TOTAL PRODUCTION EXPENSES	701,107,606		701,107,606	776,059,629		776,059,629
16							
17	OTHER POWER SUPPLY EXPENSES	\$ 46,852,153	\$ -	\$ 46,852,153	\$ 52,576,330	\$ -	\$ 52,576,330
18	TRANSMISSION EXPENSE	3,409,865		3,409,865	3,606,469		3,606,469
19	DISTRIBUTION EXPENSE	58,327,849		58,327,849	60,675,694		60,675,694
20	CUSTOMER ACCOUNT EXPENSES	34,589,847		34,589,847	34,632,524		34,632,524
21	CUSTOMER SERVICE EXPENSES	8,700,615		8,700,615	2,946,384		2,946,384
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	71,570,091	662,815	72,232,906
24	DEPRECIATION	124,154,290		124,154,290	126,490,392		126,490,392
25	AMORTIZATION	24,086,070		24,086,070	22,846,665		22,846,665
26	AMORTIZ OF PROPERTY GAIN/LOSS	6,000,000		6,000,000	7,475,555		7,475,555
27	OTHER OPERATING EXPENSES	(3,438,725)		(3,438,725)	195,650		195,650
28	TAXES OTHER THAN F.I.T.	131,930,399		131,930,399	102,521,238	3,988,000	106,509,238
29	FEDERAL INCOME TAXES	(5,764,878)		(5,764,878)	18,356,328	34,574,665	52,930,992
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	1,307,483,932	39,225,480	1,346,709,411
32							
33	NET OPERATING INCOME	\$ 218,889,675	\$ 748,759	\$ 219,638,434	\$ 167,990,528	\$ 64,210,094	\$ 232,200,622
34	RATE BASE	\$ 2,516,697,113	\$ -	\$ 2,516,697,113	\$ 2,546,059,451	\$ -	\$ 2,546,059,451
35	RATE OF RETURN	8.73%		8.73%	6.60%		9.12%
36							
37	RATE BASE:						
38	UTILITY PLANT IN SERVICE	\$ 2,578,449,579	\$ 27,246,325	\$ 2,605,695,904	\$ 2,605,695,904		
39	DEFERRED DEBITS	334,433,269	9,027,521	343,460,790	343,460,790		
40	DEFERRED TAXES incl oh study	(390,406,512)	4,658,357	(385,748,155)	(385,748,155)		
41	CONSERVATION TRUST	11,569,864	(11,569,864)	(0)	(0)		
42	ALLOWANCE FOR WORKING CAPITAL	15,068,558	-	15,068,558	15,068,558		
43	OTHER	(32,417,645)		(32,417,645)	(32,417,645)		
44	TOTAL RATE BASE	\$ 2,516,697,113	\$ 29,362,338	\$ 2,546,059,451	\$ 2,546,059,451		
45							
46							

Supp

\$ (114,008,395)

Rebuttal 11/3/2004

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	FREDRICKSON PLANT 2.27 (Note 1)	LOW INCOME AMORTIZATION 2.28	REGULATORY ASSETS 2.29	PRODUCTION ADJUSTMENT 2.30	TOTAL ADJUSTMENTS	ADJUSTED RESULTS OF OPERATIONS
1							
2	\$ -		\$ -	\$ -	\$ -	\$ 152,515,852	\$ 1,414,825,578
3						92,726	457,443
4						(171,647,821)	27,538,643
5						(12,609,942)	32,652,795
6						(31,649,184)	1,475,474,459
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(Note 1) CONFIDENTIAL per Protective Order in UE-040640 and CONFIDENTIAL per WAC 480-07-160

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

LINE

NO. DESCRIPTION

<u>TEMPERATURE NORMALIZATION ADJUSTMENT:</u>					
		ACTUAL	TEMP ADJ	MWH	ADJ FOR LOSSES
		<u>GPI MWH</u>	<u>GPI MWH</u>	<u>CHANGE</u>	<u>6.40%</u>
4	Oct-02	1,691,158	1,670,669	(20,489)	(19,178)
5	Nov-02	1,807,647	1,841,715	34,068	31,887
6	Dec-02	2,061,746	2,120,555	58,809	55,046
7	Jan-03	1,979,614	2,101,564	121,950	114,145
8	Feb-03	1,848,298	1,813,468	(34,830)	(32,601)
9	Mar-03	1,877,283	1,893,108	15,825	14,812
10	Apr-03	1,691,863	1,670,087	(21,776)	(20,383)
11	May-03	1,585,662	1,575,964	(9,698)	(9,077)
12	Jun-03	1,490,550	1,474,297	(16,253)	(15,213)
13	Jul-03	1,568,794	1,553,446	(15,348)	(14,366)
14	Aug-03	1,532,398	1,525,817	(6,581)	(6,160)
15	Sep-03	1,506,449	1,498,678	(7,771)	(7,274)
16		<u>20,641,463</u>	<u>20,739,368</u>	<u>97,905</u>	<u>91,638</u>
17					
18	REVENUE ADJUSTMENT:	Schedule 7			\$ 6,876,128
19		Schedule 24			58,139
20		Schedule 25			(145,160)
21		Schedule 26			(168,308)
22		Schedule 29			16,067
23		Schedule 31			(165,176)
24		Schedule 35			-
25		Schedule 43			574,056
26		Firm Resale			<u>1,194</u>
27	INCREASE (DECREASE) SALES TO CUSTOMERS				\$ 7,046,940
28					
29	UNCOLLECTIBLES @			0.0045080	\$ 31,768
30	ANNUAL FILING FEE @			0.0019000	<u>13,389</u>
31	INCREASE (DECREASE) EXPENSES				45,157
32					
33	STATE UTILITY TAX @			0.0385554	\$ 271,698
34	INCREASE (DECREASE) TAXES OTHER				<u>271,698</u>
35					
36	INCREASE (DECREASE) INCOME				6,730,085
37					
38	INCREASE (DECREASE) FIT @			35%	2,355,530
39	INCREASE (DECREASE) NOI				<u>\$ 4,374,555</u>

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

LINE NO.	DESCRIPTION	ADJUSTMENT
1	SALES TO CUSTOMERS:	
2	<u>RESTATING ADJUSTMENTS:</u>	
3	ADD BACK SCHEDULE 94 RESIDENTIAL/FARM CREDIT	\$ 180,281,489
4	REMOVE MUNICIPAL TAXES	(40,996,559)
5	REMOVE SCHEDULE 120 CONSERVATION RIDER REVENUE	(26,692,602)
6	ADD BACK CENTRALIA CREDIT	7,653
7	OUT OF PERIOD CHARGES	(3,570,280)
8	LOW INCOME RATE CHANGE	(3,830,521)
9	MISCELLANEOUS RESTATING ADJUSTMENTS - SALES TO CUSTOMERS	(785,533)
10	MISCELLANEOUS RESTATING ADJUSTMENTS - SALES FROM RESALE-FIRM	(14,782)
11	SUBTOTAL RESTATING ADJUSTMENTS	<u>104,398,865</u>
12		
13	<u>PROFORMA ADJUSTMENTS:</u>	
14	PCORC PROFORMA INCREASE DOCKET 03-1725	44,192,861
15	PROFORMA UNBILLED REVENUE	542,641
16	LOW INCOME REVENUE	(2,269,353)
17	MISC. PROFORMA ADJSUTMENTS - SALES TO CUSTOMERS	(1,409,690)
18	MISC. PROFORMA ADJSUTMENTS - SALES FROM RESALE-FIRM	106,314
19	SUBTOTAL PROFORMA ADJUSTMENTS	<u>41,162,773</u>
20		
21	TOTAL INCREASE (DECREASE) SALES TO CUSTOMERS	\$ 145,561,638
22		
23	OTHER OPERATING REVENUES:	
24	MISCELLANEOUS CUSTOMER CHARGES	706,411
25	MISC. PROFORMA ADJSUTMENTS - OTHER OPERATING REVENUES	429,988
26		
27	TOTAL INCREASE (DECREASE) OTHER OPERATING REVENUE	<u>1,136,399</u>
28		
29	TOTAL INCREASE (DECREASE) REVENUES	146,698,037
30		
31	UNCOLLECTIBLES @	0.0045080 \$ 661,315
32	ANNUAL FILING FEE @	0.0019000 <u>278,726</u>
33	INCREASE (DECREASE) EXPENSES	940,041
34		
31	STATE UTILITY TAX @	0.0385554 \$ 5,656,001
32	MUNICIPAL TAX EXPENSED	<u>(39,773,688)</u>
33	INCREASE (DECREASE) TAXES OTHER	<u>(34,117,687)</u>
34		
35	INCREASE (DECREASE) INCOME	<u>179,875,682</u>
36		
37	INCREASE (DECREASE) FIT @	35% <u>62,956,489</u>
38	INCREASE (DECREASE) NOI	<u>\$ 116,919,193</u>

**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)

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

LINE NO.	DESCRIPTION	AMOUNT	ADJUSTMENT
1	PROFORMA SALES FOR RESALE - OTHER UTILITIES	\$ 27,538,643	
2	ACTUAL SALES FOR RESALE - OTHER UTIL.	199,186,464	
3	INCREASE (DECREASE) REVENUES - OTHER UTILITIES		\$ (171,647,821)
4			
5	PROFORMA REVENUES - WHEELING FOR OTHERS	\$ 9,398,452	
6	ACTUAL REVENUES - WHEELING FOR OTHERS	12,727,829	
7	INCREASE (DECREASE) OTHER OPERATING REVENUES		(3,329,377)
8	INCREASE (DECREASE) REVENUE		\$ (174,977,198)
9			
10	STATE UTILITY TAX		
11	(APPLICABLE TO LINE 7)	0.0385554 (128,365)	
12	INCREASE (DECREASE) STATE UTILITY TAX		(128,365)
13	INCREASE (DECREASE) INCOME		\$ (174,848,832)
14			
15	INCREASE (DECREASE) FIT @	35%	(61,197,091)
16	INCREASE (DECREASE) NOI		\$ (113,651,741)

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

LINE NO.	DESCRIPTION	AMOUNT
1	TAXABLE INCOME	\$ 84,563,914
2		
3	FEDERAL INCOME TAX @ 35%	<u>29,597,370</u>
4	CURRENTLY PAYABLE	\$ 29,597,370
5		
6	DEFERRED FIT - DEBIT	\$ 41,384,000
7	DEFERRED FIT - CREDIT	(14,250,750)
8	DEFERRED FIT - INV TAX CREDIT, NET OF AMORT.	-
9	TOTAL RESTATED FIT	<u>\$ 56,730,620</u>
10		
11	FIT PER BOOKS:	
12	CURRENTLY PAYABLE	\$ (5,764,878)
13	DEFERRED FIT - DEBIT	78,533,358
14	DEFERRED FIT - CREDIT	(20,689,207)
15	DEFERRED FIT - INV TAX CREDIT, NET OF AMORT.	-
16	TOTAL CHARGED TO EXPENSE	<u>\$ 52,079,273</u>
17		
18	INCREASE(DECREASE) FIT	35,362,248
19	INCREASE(DECREASE) DEFERRED FIT	<u>(30,710,901)</u>
20	INCREASE(DECREASE) NOI	<u><u>\$ (4,651,347)</u></u>

**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	\$ 2,546,059,451
2	DEDUCTIBLE CWIP	63,264,591
3	NET RATE BASE	\$ 2,609,324,042
4		
5	WEIGHTED COST OF DEBT	3.83%
6	PROFORMA INTEREST	\$ 99,891,098
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	\$ 26,678,357
18		
19	INCREASE (DECREASE) FIT @	35% 9,337,425
20	INCREASE (DECREASE) NOI	\$ (9,337,425)

**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)

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

LINE NO.	DESCRIPTION	AMOUNT	ADJUSTMENT
1	<u>CONSERVATION RIDER AMORTIZATION</u>		
2	ACTUAL CONSERVATION RIDER AMORTIZATION	\$ 26,807,031	
3	RESTATE CONSERVATION RIDER AMORTIZATION	-	
4	INCREASE (DECREASE) EXPENSE	(26,807,031)	
5	INCREASE (DECREASE) OPERATING INCOME		\$ 26,807,031
6			
7	<u>PROFORMA</u>		
8	<u>95 CONSERVATION TRUST AMORTIZATION</u>		
9	ACTUAL 95 CONSERVATION TRUST AMORTIZATION	14,776,806	
10	PROFORMA 95 CONSERVATION TRUST AMORTIZATION	-	
11	INCREASE (DECREASE) EXPENSE	(14,776,806)	
12	INCREASE (DECREASE) OPERATING INCOME		14,776,806
13			
14	<u>ONE TIME ADJUSTMENTS IN ACCOUNT 18230621</u>		
15	SCH128 OVER-COLLECTION TRANSFER	(643,539)	
16	CENTRALIA FUEL TAX REFUND FROM PACIFICORP	(420,042)	
17	TRANSALTA (SCRUBBER ESC)	(229,439)	
18	INCREASE (DECREASE) EXPENSE	1,293,020	
19	INCREASE (DECREASE) OPERATING INCOME		(1,293,020)
20			
21	TOTAL AMORTIZATION		\$ 40,290,817
22			
23	INCREASE (DECREASE) FIT	35%	\$ 14,101,786
24			
25	INCREASE (DECREASE) NOI		\$ 26,189,031
26			
27	RATE BASE ADJUSTMENTS:		
28	95 CONSERVATION TRUST		(11,569,864)
29	RATE BASE ADJUSTMENT		\$ (11,569,864)

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

LINE NO.	YEAR	NET WRITEOFF'S	GROSS REVENUES	SALES FOR RESALE OTHER	SALES FOR RESALE FIRM	NET REVENUES	PERCENT WRITEOFF'S TO REVENUE
1	12 MOS ENDED 09/30/1999	\$ 4,517,174	\$ 1,527,267,919	\$ 296,742,686	\$ 5,478,269	\$ 1,225,046,964	0.3687347%
2	12 MOS ENDED 09/30/2001	\$ 7,000,498	\$ 2,460,850,948	\$ 955,657,851	\$ 24,744,688	\$ 1,480,448,409	0.4728634%
3	12 MOS ENDED 09/30/2002	\$ 6,321,472	\$ 1,346,477,688	\$ 93,764,521	\$ 945,576	\$ 1,251,767,591	0.5050036%
4	3-Yr Average of Net Write Off Rate						0.4507950%
5							
6	Test Period Revenues		\$ 1,495,407,563	\$ 199,186,464	\$ 364,717	\$ 1,295,856,382	
7							
8	PROFORMA BAD DEBT RATE					0.4507950%	
9	PROFORMA BAD DEBTS					\$ 5,841,656	
10							
11	UNCOLLECTIBLES CHARGED TO EXPENSE IN TEST YEAR					7,320,353	
12	INCREASE (DECREASE) EXPENSE						\$ (1,478,697)
13							
14	INCREASE (DECREASE) FIT					35%	517,544
15	INCREASE (DECREASE) NOI						\$ 961,153

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

LINE NO.	DESCRIPTION	ACTUAL	PROFORMA RESTATED	ADJUSTMENT
1	<u>OPERATING EXPENSES (RESTATED)</u>			
2	INCENTIVE/MERIT PAY	\$ 2,479,895	\$ 2,206,528	\$ (273,367)
3	PAYROLL TAXES ASSOC WITH MERIT PAY	173,593	154,457	(19,136)
4	<u>OPERATING EXPENSES (PROFORMA)</u>			
5	TREE WATCH	-	2,000,000	2,000,000
6	REDUCE STEAM SALES TO GP	(1,558,715)	(845,945)	712,770
7	INCREASE (DECREASE) IN EXPENSE	\$ 1,094,772	\$ 3,515,040	\$ 2,420,268
8				
9	INCREASE(DECREASE) INCOME			(2,420,268)
10	INCREASE(DECREASE) FIT @		35%	(847,094)
11				
12	INCREASE(DECREASE) NOI			<u>\$ (1,573,174)</u>
13				
14	<u>RATEBASE</u>			
15	FUTURE USE ADJUSTMENT			33,275
16	CWIP "IN SERVICE" BUT NOT TRANSFERRED TO PLANT			1,677,780
17				
18	TOTAL ADJUSTMENT TO RATEBASE			<u>\$ 1,711,055</u>

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

LINE NO.	DESCRIPTION	WASHINGTON	MONTANA	OREGON	TOTAL
1	RESTATED PROPERTY TAX	\$ 23,275,330	\$ 8,987,002	\$ 981,652	\$ 33,243,984
2	CHARGED TO EXPENSE IN TY	23,055,301	9,387,665	829,823	33,272,789
3	INCREASE(DECREASE) INCOME	\$ (220,029)	\$ 400,663	\$ (151,829)	\$ 28,805
4					
5	1995-2001 BACK TAX PAYMENT			\$ 3,833,282	
6	RATE YEAR AMOUNT (BASE ON 3 YEAR AVERAGE)			\$ 1,277,761	
7	INCREASE(DECREASE) INCOME				\$ (1,277,761)
8					
9	TOTAL INCREASE(DECREASE) INCOME				\$ (1,248,955)
10	INCREASE(DECREASE) FIT @			35%	(437,134)
11					
12	INCREASE(DECREASE) NOI				\$ (811,821)

**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	<u>EFFECT ON OVERALL OPERATING EXPENSES:</u>			
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)	<u>\$ 1,381,963</u>	<u>\$ -</u>	<u>(1,381,963)</u>
7				
8	ADJUSTMENT TO AMORTIZATION EXPENSE (FERC 407):			
9	RELICENSING COSTS	\$ -	\$ -	\$ -
10	PLANT COSTS	-	1,494,702	1,494,702
12	TOTAL OPERATING EXPENSE (FERC 407)	<u>\$ -</u>	<u>\$ 1,494,702</u>	<u>1,494,702</u>
13				
14	INCREASE (DECREASE) INCOME			(112,739)
15				
16	INCREASE (DECREASE) FIT @		35%	(39,459)
17	INCREASE (DECREASE) NOI			<u>\$ (73,280)</u>
18				
19	<u>EFFECT ON OVERALL RATEBASE:</u>			
20	<u>ADJUSTMENT TO PRODUCTION RATE BASE:</u>			
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)	<u>\$ 39,406,220</u>	<u>\$ -</u>	<u>\$ (39,406,220)</u>
26				
27	<u>ADJUSTMENT TO REGULATORY ASSET RATE BASE:</u>			
28	RELICENSING COSTS			
29	DEFERRED RELICENSING COSTS:			
30	WHITE RIVER LICENSING CHARGES	\$ -	\$ 15,201,438	\$ 15,201,438
31	WATER RIGHTS	-	-	-
32	OTHER WHITE RIVER CWIP	-	2,698,922	2,698,922
33	GROSS RELICENSING COSTS - AMA	-	17,900,360	17,900,360
34	ACCUMULATED AMORTIZATION - AMA	-	-	-
35				
36	TOTAL ADJUST TO REG ASSET RATEBASE	-	17,900,360	17,900,360
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	<u>EFFECT ON OVERALL RATEBASE</u>	<u>\$ 39,406,220</u>	<u>\$ 59,243,843</u>	<u>\$ 19,837,623</u>
44				
45				
46				
47				
48				

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

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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)

**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			<u>\$ 5,175</u>

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

LINE NO.	DESCRIPTION	AMOUNT
1	RESTATED KWH (COLSTRIP)	4,976,696,000
2	TAX RATE	0.00035
3		
4	RESTATED ENERGY TAX	1,741,844
5	CHARGED TO EXPENSE	1,575,805
6	INCREASE (DECREASE) INCOME	\$ (166,039)
7		
8	INCREASE (DECREASE) FIT @ 35%	(58,114)
9	INCREASE (DECREASE) NOI	\$ (107,925)

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

LINE NO.	DESCRIPTION	AMOUNT
1	INTEREST EXPENSE FOR TEST YEAR	\$ 151,631
2		
3		
4	INCREASE (DECREASE) NOI	\$ (151,631)

**PUGET SOUND ENERGY-ELECTRIC
SFAS 133
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2003
GENERAL RATE INCREASE**

LINE NO.		ACTUAL	RESTATED	ADJUSTMENT
1	FAS 133 OPERATING EXPENSE	\$ 855,328	\$ -	\$ (855,328)
2				
3	INCREASE (DECREASE) IN EXPENSE	\$ 855,328	\$ -	\$ (855,328)
4				
5	INCREASE(DECREASE) OPERATING INCOME			855,328
6				
7	INCREASE (DECREASE) DEFERRED FIT @	35%		299,365
8				
9	INCREASE (DECREASE) NOI			<u>\$ 555,963</u>

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

LINE NO.	DESCRIPTION	AMOUNT
1	2001 GRC EXPENSE BALANCE AS 9/30/03	\$ 1,843,240
2	LESS PROJECTED AMORTIZATION FROM 10/01/03-2/28/05	(1,086,963)
3	REMAINING BALANCE @ 2/28/2005	<u>756,277</u>
4		
5		
6		
7		
8	PROFORMA NEW RATE CASE EXPENSE:	
9	OUTSIDE SERVICE-PROFESSIONAL	766,959
10	OUTSIDE SERVICE-LEGAL	707,347
11	OTHERS	<u>53,117</u>
12	TOTAL PROFORMA NEW RATE CASE EXPENSE	<u>1,527,422</u>
13		
14	AMOUNT TO BE AMORTIZED OVER 3 YEARS	<u>\$ 2,283,700</u>
15		
16	ANNUAL AMORTIZATION	761,233
17	LESS TEST YEAR AMORTIZATION @63,939/MONTH	(767,268)
18	1/2 OF ESTIMATED PCORC EXPENSE	650,000
19	LESS PCORC AMOUNT THAT WAS COUNTED IN THE I/S	<u>(400,902)</u>
20		
21	INCREASE (DECREASE) EXPENSE	\$ 243,063
22		
24	INCREASE(DECREASE) FIT @ 35%	(85,072)
25	INCREASE(DECREASE) NOI	<u>\$ (157,991)</u>

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

LINE NO. DESCRIPTION	AMOUNT
1 DEFERRED GAIN RECORDED SINCE UE-921262 @ 2/28/2005	\$ (1,863,550)
2 DEFERRED LOSS RECORDED SINCE UE-921262 @ 2/28/2005	1,129,764
3 TOTAL DEFERRED NET GAIN TO AMORTIZE	\$ (733,786)
4	
5 AMORTIZATION OF DEFERRED NET GAIN FOR RATE YEAR (Line 3/3years)	(244,595)
6	
7 AMORTIZATION OF DEFERRED NET GAIN FOR TEST YEAR	(4,734,298)
8	
9 INCREASE (DECREASE) EXPENSE (Line 5 + Line 7)	\$ 4,489,703
10	
11 INCREASE (DECREASE) FIT @ 35%	(1,571,396)
12	
13 INCREASE (DECREASE) NOI	\$ (2,918,307)

**PUGET SOUND ENERGY-ELECTRIC
PROPERTY & LIABILITY INSURANCE
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2003
GENERAL RATE INCREASE**

LINE NO.	DESCRIPTION	ACTUAL	PROFORMA	ADJUSTMENT
1	PROPERTY INSURANCE EXPENSE	\$ 2,081,708	\$ 1,835,821	(245,887)
2	LIABILITY INSURANCE EXPENSE	1,296,002	2,036,681	740,679
3	INCREASE(DECREASE) EXPENSE	\$ 3,377,710	\$ 3,872,502	\$ 494,792
4				
5	INCREASE(DECREASE) OPERATING INCOME			(494,792)
6	INCREASE (DECREASE) FIT @	35%		(173,177)
7	INCREASE (DECREASE) NOI			\$ (321,615)

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

LINE NO.	DESCRIPTION	ACTUAL	RESTATED	ADJUSTMENT
1	QUALIFIED RETIREMENT FUND	\$ (6,131,331)	\$ 2,891,507	\$ 9,022,838
2	SERP PLAN	<u>2,542,877</u>	<u>2,082,057</u>	\$ (460,820)
3	INCREASE(DECREASE) EXPENSE	\$ (3,588,454)	\$ 4,973,564	\$ 8,562,018
4				
5	INCREASE(DECREASE) OPERATING INCOME			(8,562,018)
6	INCREASE (DECREASE) FIT @	35%		<u>(2,996,706)</u>
7	INCREASE (DECREASE) NOI			<u>\$ (5,565,312)</u>

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

LINE NO.	DESCRIPTION	TEST YEAR	RATE YEAR	ADJUSTMENT
1	WAGES:			
2	PRODUCTION	\$ 8,370,435	\$ 8,906,980	\$ 536,545
3	TRANSMISSION	1,159,494	1,233,817	74,324
4	DISTRIBUTION	18,812,777	20,018,676	1,205,899
5	CUSTOMER ACCTS	10,556,324	11,232,985	676,660
6	CUSTOMER SERVICE	1,073,955	1,142,795	68,840
7	SALES	404,574	430,507	25,933
8	ADMIN. & GENERAL	14,879,040	15,832,787	953,746
9	TOTAL WAGE INCREASE	55,256,599	58,798,547	3,541,948
10				
11	PAYROLL TAXES	4,631,774	4,951,130	319,356
12	TOTAL WAGES & TAXES	59,888,373	63,749,677	3,861,304
13				
14	INCREASE (DECREASE) OPERATING INC.			\$ (3,861,304)
15	INCREASE (DECREASE) FIT @ 35%			(1,351,456)
16	INCREASE (DECREASE) NOI			\$ (2,509,848)

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

LINE NO.	DESCRIPTION	AMOUNT
1	<u>MANAGEMENT (INC. EXECUTIVES)</u>	
2	INVESTMENT PLAN APPLICABLE TO MANAGEMENT	2,593,999
3	RATE YEAR MANAGEMENT WAGE INCREASE	5.34% 138,520
4	TOTAL COMPANY CONTRIBUTION FOR MANAGEMENT	2,732,519
5		
6	<u>UNION</u>	
7	INVESTMENT PLAN APPLICABLE TO UNION	1,237,966
8	RATE YEAR UNION WAGE INCREASE	7.88% 97,552
9	TOTAL COMPANY CONTRIBUTION FOR UNION	1,335,518
10		
11	<u>TOTAL</u>	
12	TOTAL PROFORMA COSTS (LN 4 + LN 9)	4,068,036
13	PRO FORMA COSTS APPLICABLE TO OPERATIONS	67.91% 2,762,603
14	CHARGED TO EXPENSE FOR YEAR ENDED 9/30/2003	2,602,287
15	INCREASE (DECREASE) INCOME	(160,316)
16		
17	INCREASE (DECREASE) FIT @	35% (56,111)
18	INCREASE (DECREASE) NOI	(104,205)

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

LINE NO.	DESCRIPTION	AMOUNT
1	<u>BENEFIT CONTRIBUTION:</u>	
2	SALARIED EMPLOYEES	\$ 5,186,863
3	UNION EMPLOYEES	5,502,453
4	PRO FORMA INSURANCE COSTS	10,689,316
5		
6	APPLICABLE TO OPERATIONS @ 67.73%	7,239,874
7	CHARGED TO EXPENSE 09/30/03	5,970,141
8	INCREASE(DECREASE) INCOME	(1,269,733)
9		
10	INCREASE(DECREASE) FIT @ 35%	(444,407)
11		
12	INCREASE(DECREASE) NOI	\$ (825,326)

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

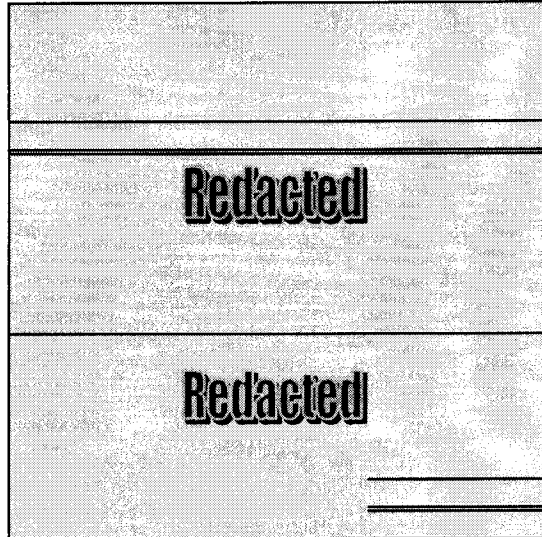
LINE NO.	DESCRIPTION	AMOUNT
1	FEDERAL CURRENT TAXABLE INCOME	\$ 51,509,914
2	ADD: MONTANA CORP. LICENSE TAX DED. ON BOOKS	(1,741,728)
3	PRO FORMA INTEREST ADJUSTMENT	<u>26,678,357</u>
4	INCOME SUBJECT TO APPORTIONMENT	76,446,543
5		
6	MONTANA APPORTIONMENT FACTOR	4.50%
7	MONTANA TAXABLE INCOME	<u>3,440,094</u>
8		
9	PROFORMA MONTANA CORP. LIC. TAX	6.75% <u>232,206</u>
10	CHARGED TO EXPENSE IN TEST YEAR	(1,741,728)
11	INCREASE (DECREASE) INCOME	<u>(1,973,934)</u>
12		
13	INCREASE (DECREASE) FIT @	35% <u>(690,877)</u>
14	INCREASE (DECREASE) NOI	<u>\$ (1,283,057)</u>

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

LINE NO.	DESCRIPTION	Transmission	Distribution	AMOUNT Total
1	NORMAL STORMS			
2	ACTUAL O&M:			
3	TWELVE MONTHS ENDED 9/30/98	13,945	255,255	269,200
4	TWELVE MONTHS ENDED 9/30/99	319,211	8,481,806	8,801,017
5	TWELVE MONTHS ENDED 9/30/00	166,215	2,374,579	2,540,794
6	TWELVE MONTHS ENDED 9/30/01	310,116	3,785,706	4,095,822
7	TWELVE MONTHS ENDED 9/30/02	(4,894)	6,583,315	6,578,420
8	TWELVE MONTHS ENDED 9/30/03	6,615	5,325,797	5,332,412
9	TOTAL NORMAL STORMS	811,206	26,806,458	27,617,664
10				
11	SIX-YEAR AVERAGE STORM EXPENSE	135,201	4,467,743	4,602,944
12				
13	CATASTROPHIC STORMS			
14	ACTUAL DEFERRED BALANCES:			
15	12/26/96 SNOW/ICE STORM			1,369,229
16	11/23/98 STORM			4,776,553
17	1/16/00 WINDSTORM			2,705,896
18	12/4/03 WIND STORM			9,645,626
19	TOTAL CATASTROPHIC STORMS			18,497,304
20				
21	THREE-YEAR AMORTIZATION FOR RATE YEAR			6,165,768
22				
23				
24	TOTAL EXPENSE FOR RATE YEAR (LINE 11+LINE 21)			10,768,712
25				
26	CHARGED TO EXPENSE FOR TEST YEAR ENDED 9/30/03:			
27	STORM DAMAGE EXPENSE (LINE 8)	6,615	5,325,797	5,332,412
28	CATASTROPHIC STORM AMORT (PER UE-011570)			6,000,000
29	TOTAL EXPENSE FOR TEST YEAR			11,332,412
30				
31	INCREASE (DECREASE) OPERATING EXPENSE (LINE 24-LINE 29)			(563,700)
32	TRANSMISSION PORTION			128,586
33	DISTRIBUTION PORTION			(858,054)
34	AMORTIZATION			165,768
35	INCREASE (DECREASE) FIT @ 35%			197,295
36				
37	INCREASE (DECREASE) NOI			366,405

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>FREDRICKSON PLANT RATE BASE</u>			
2	PLANT BALANCE			
3	ACCUMULATED DEPRECIATION			
4	DEFERRED FIT			
5	FREDRICKSON PLANT RATE BASE			
6				
7	<u>FREDRICKSON 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			



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

LINE NO.	DESCRIPTION	AMOUNT
1	AMORTIZATION FOR TEST YEAR	\$ 5,849,005
2		
3		
4	INCREASE (DECREASE) NOI	<u>5,849,005</u>
5		
6	INCREASE(DECREASE) FIT @ 35%	2,047,152
7		
8	INCREASE(DECREASE) NOI	<u><u>\$ 3,801,853</u></u>

**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>

**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)	